



JOINT COMMITTEE ON GOVERNMENT AND FINANCE

MATERIALS DISTRIBUTED
NOVEMBER 16, 2021

October 25, 2021

West Virginia Department of Economic Development
Office of Broadband Report to the
Joint Committee on Government and Finance

Prepared by the
West Virginia Office of Broadband
October 25, 2021

1. West Virginia Broadband Infrastructure (WVBIP) Plan: Investing West Virginia's Funding under the American Rescue Plan Act (ARPA)

The West Virginia Department of Economic Development (WVDED), in coordination with the West Virginia Broadband Enhancement Council and the State Broadband Office participated in the Governor's official launch of the West Virginia Broadband Investment Plan (WVBIP) on October 15, 2021. The offices also accompanied the Governor in an editorial roundtable on October 20, 2021.

These events provided an overview of programs proposed under the WVBIP. The proposed plan includes four separate programs, each designed to meet West Virginia's broadband development needs. Briefly, the proposed programs include:

- a. Line Extension, Advancement and Development (LEAD): Expansions of existing fiber and cable networks,
- b. GigReady: A state incentive for local governments and organizations to pool some of their ARPA allocations or other local funding,
- c. Major Broadband Project Strategies (MPBS): New networks or major expansions of existing networks, and
- d. *Wireless Internet Networks (WIN): Expansions or upgrades of existing fixed wireless networks.

**Wireless projects do not appear eligible for funding under current ARPA guidelines. The wireless program is being developed in the event that other funding opportunities become available.*

2. Capital Projects Fund and State and Local Fiscal Recovery Funds Update

The U.S. Department of the Treasury (Treasury) released guidance for the Coronavirus Capital Projects Fund (CPF) program on September 21, 2021. This CPF program provides \$10 billion for eligible governments to carry out critical capital projects that directly enable work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency. The Capital Projects Fund Guidance, now available at [treasury.gov/CPE](https://www.treasury.gov/CPE), describes how governments may access and use these funds.

The Capital Projects Fund includes \$136 million for broadband development in West Virginia. West Virginia became the first state to apply for funding when the portal opened.

The State and Local Fiscal Recovery Funds available through ARPA can also be dedicated to broadband development. Recognizing this potential partnership, the State program will provide an opportunity to coordinate ARPA funding on state and local levels.

The West Virginia Legislature allocated \$90 million of State and Local Fiscal Recovery Funds (SLFRF) funds and \$10 million in general revenue funds to be added to the Capital Projects Fund for a total of \$236 million. The SLFRF funds will be used for the LEAD, GigReady, and MPBS projects, while the \$10 million allocation from general revenue funds will be dedicated to the Wireless Internet Networks (WIN) program.

Broadband Webinar Schedule

Registration is now open for the GigReady and LEAD program webinars, conducted under the West Virginia Broadband Investment Plan. Registration is available at the following links:

1. Wednesday, October 27, 2021: <https://www.eventbrite.com/e/west-virginia-gigready-grant-program-webinar-tickets-190653528837>

2. Wednesday, November 3, 2021: <https://www.eventbrite.com/e/west-virginia-lead-grant-program-webinar-tickets-190655725407>

Governor Justice announced the State's bold broadband initiative on Friday, October 15, 2021. Learn more about the Governor's announcement here: <https://governor.wv.gov/News/press-releases/2021/Pages/Gov.-Justice-announces-Billion-Dollar-Broadband-Strategy.aspx>. The webinar recordings will be posted to <https://broadband.wv.gov/>, along with other program resources.

3. Request for Comment Regarding Unserved Areas Data Analysis Underway

The West Virginia Department of Economic Development, in coordination with the West Virginia Broadband Enhancement Council and the State Broadband Office, issued a Request for Comment Regarding Unserved Areas in July 2021, to gather broadband data as part of its proposed Broadband Investment Plan. The Request for Comment period will help improve the accuracy of broadband availability maps and determine eligibility for grant funding.

The Request for Comment includes a Preliminary Target Area Map. The Preliminary Target Area Map is intended to support the efficient administration of any funds that may become available for broadband development in West Virginia, including funds provided through the ARPA and/or other federal or state sources, as outlined in the proposed plan.

Eligibility for funding under the WVBIP will be determined at the address level. Addresses are based upon statewide address data developed by the West Virginia Statewide Addressing and Mapping System. The Request for Comment includes four classifications of eligibility at the address level: Unserved, Likely Unserved, Likely Served, and Funded.

The Request for Comment period is intended to receive information from ISPs and local organizations to identify broadband availability more accurately at the address level. The Request for Comment process is designed to direct limited broadband investment funds to areas demonstrating the most critical needs and to help reduce instances of overbuilding. The Office of Broadband accepted responses from 13 internet service providers.

Network Validation Field Inspections

As part of the Request for Comment Regarding Unserved Areas, the Office of Broadband completed 88 separate field verification inspections that included a review of eight companies. These field verifications were conducted in 12 counties between September 15, 2021 and October 8, 2021.

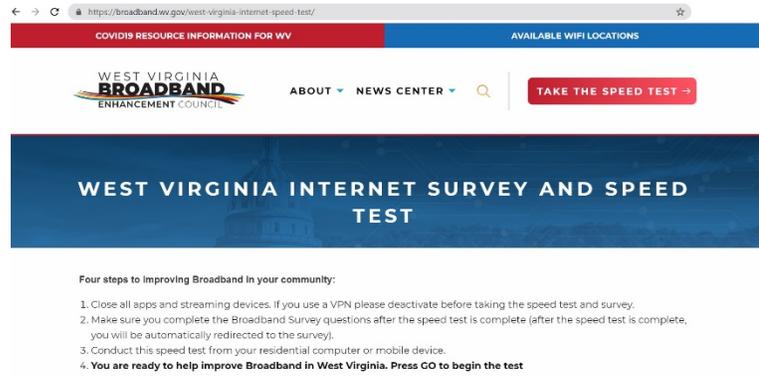
4. Speed Test Marketing Campaign

The West Virginia Department of Economic Development (WVDED) and the Broadband Enhancement Council have initiated a marketing campaign to encourage West Virginians to take an internet speed test at broadband.wv.gov.

This marketing effort includes text messages to drive speed testing in rural areas and areas that are not well represented by speed testing. Speed testing will inform the State's overall mapping program and will be to identify the areas in which investment in broadband is needed most.

The results will help determine where future funds will be allocated to improve access. To take the speed test:

- Visit broadband.wv.gov.
- Click the red "Take the Speed Test" button at the top of the page.
- Follow the four steps to get started and click "Go."



The test is followed by additional questions about location and internet service. From start to finish, the process takes less than five minutes. The broadband speed test has been publicized across the state in a marketing campaign conducted by the Broadband Enhancement Council. The campaign, using text messages and digital advertising, urges West Virginians to participate in the speed test. **The total amount of speed tests taken since the launch of the marketing campaign in September 2021, is 9,033**

5. FCC Emergency Broadband Benefit Registrations Top 47,800

The Emergency Broadband Benefit is an [FCC program](#) to help families and households pay for internet service during the pandemic. The EBB will provide a discount of up to \$50 per month toward broadband service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute between \$10 and \$50 toward the purchase price.



As of October 25, 2021, more than 47,800 West Virginians have registered, and 48 fixed and mobile Internet Service Providers are participating in the EBB program. A complete list of participating providers was included in the August 2021, committee report. For more information, visit fcc.gov/broadbandbenefit or send email to BroadbandBenefit@fcc.gov.

6. West Virginia Secures ARC Funding

Awarded Funds: West Virginia project teams have secured \$5 million from the Appalachian Regional Commission (ARC) Power program. These projects will leverage additional broadband investment through matching funds and private-sector contributions. Awards were announced on September 16, 2021, to the following projects:

- a. **Pocahontas County Commission Quiet Zone Fiber Deployment Project: \$2.5 Million**

This project will enable the Pocahontas County Commission to deploy approximately 49 miles of aerial fiber. The project area is primarily located in Pocahontas County's federally mandated National Radio Quiet Zone (NRQZ), where the use of any electrical equipment (including permanent, fixed, wireless licensed transmitter services) that may interfere with the Radio Astronomical Observation is prohibited within a ten-mile radius of the Green Bank Observatory.

b. Woodlands Development Group: \$2.5 Million

This project will enable the Woodlands Development Group to utilize \$2.5 million in ARC POWER broadband funds to construct approximately 58 miles of middle and last mile fiber to unserved/underserved communities in northern West Virginia. The project will deploy backbone fiber from Elkins along Route 33 through Bowden, north to Harman and Canaan Valley, and ending in Davis.

7. West Virginia Secures USDA Distance Learning and Telemedicine (DLT) Funding

a. Clay County School District \$464,614

This Rural Development investment will be used to provide distance learning technology and telemedicine stations for each of Clay County's six schools. Distance learning technology will be utilized to provide virtual learning experiences for students across all grade levels, as well as expand opportunities for students to participate in advanced and college level courses not available at their home schools. Telemedicine stations will permit students and their families to confer with medical and mental health professionals at each school-based wellness center. This project will benefit approximately 2,000 residents in Clay County, West Virginia.

b. Pocahontas County Board of Education \$434,779

This Rural Development investment will be used to purchase distance learning supplies that will connect students K-7 grade and teachers, K-12 grade with Microsoft Surface Go 2 and Microsoft Surface Pro 7 devices. Pocahontas County Board of Education will facilitate remote and blended learning, expand capacity of educators with technology to support their ability to teach across campuses and inter-classroom co-teaching efforts, provide remote options for professional development and training for educators, and expand student focused mental health telemedicine capabilities in partnership with Youth Health Services, Inc. The project will benefit approximately 3,000 residents in rural West Virginia.

c. Shepherd University \$96,891

This Rural Development investment will be used to fund the "Bridges to Degrees" project that creates pathways to postsecondary education for rural high school students by providing high quality distance learning through live-streamed, synchronous dual enrollment courses offered at Shepherd University, located in the Eastern Panhandle of West Virginia. Funding will outfit Jefferson High School in Shenandoah Junction, West Virginia and Martinsburg High School in Martinsburg, West Virginia with the technology needed to engage in these distance learning courses and equips the university campus with the hardware necessary to deliver these interactive courses. The university proposes to provide distance learning through synchronous live-streamed dual enrollment courses to over 400 eligible high school students per calendar year.

d. West Virginia Higher Education Policy Commission \$744,328

This Rural Development investment will be used to purchase distance learning equipment that will develop a state-wide network to provide an interactive telecommunications link between hub and end users. The project will increase the availability of opioid and substance abuse prevention programs, establish the base of a statewide synchronous interactive distance learning network, expand the availability of college courses to rural communities, improve retention and graduation rates of college students, expand educational opportunities for high schools, improve academic achievement and college readiness for high schools, and increase community resources. The West Virginia Higher Education Policy Commission will serve as the hub of the project and will serve approximately 5,600 residents in rural West Virginia.

8. West Virginia Secures FCC Emergency Connectivity Fund (ECF)

The West Virginia State Department of Education applied for \$21.2 million to provide devices and services for more than 47,000 students. Additional applications were submitted by 24 West Virginia counties, representing requests for \$25.5 million in funding for connectivity resources, including school bus wi-fi, hotspots, iPads, and Chromebooks. FCC ECF awards to West Virginia include:

a. FCC ECF Round 1:

- \$35,379.20 -Central Catholic High School, Wheeling
- \$23,111.40 -St. Michael School, Wheeling
- \$6,633.60 -Corpus Christi School, Wheeling
- \$17,056.00 -Madonna High School, Wheeling
- \$45,000.00 -Ohio County School District
- \$137,124.00 -Kanawha County Public Library
- \$369,611.70- West Virginia Department of Education
- \$1,827,974.94 -Wyoming County School District
- \$34,649.10-Monroe County School District
- \$1,175,180.00-Logan County School District
- \$110,074.80 -Cabell County Public Library
- \$406,573.500-Cabell County Schools

b. FCC ECF Round 2:

- \$8,609,505.96 – West Virginia State Department of Education
 - \$4,505,338 – Fayette County Schools
 - \$3,121,074 – Wood County Schools
 - \$549,511 – Monongalia County Schools
 - \$392,508 – Jackson County Schools
 - \$41,075 – Calhoun County Schools
- \$1,224,282.62 – Mingo County School District
- \$616,335– Cabell County Schools
- \$630,480.51 – Clay County School District
- \$601,962.88 – Jefferson County School District
- \$421,860 – Mercer County School District

- \$235,967.50 – Preston County School District
- \$184,571 – Brooke County School District
- \$89,078.40 – Kanawha County School District
- \$64,900 – Summers County School District
- \$32,007.40 – Our Lady of Peace School
- \$30,426 – Hardy County School District
- \$9,833.60 – Fairmont Catholic School
- \$7,056 – Shepherdstown Public Library
- \$1,764 – Raleigh County Public Library

The initial ECF Program application filing window closed on August 13. A second filing window is set for Sept. 28-October 13, 2021. **Interested schools and libraries can find more information at emergencyconnectivityfund.org.**

- 9. NTIA Pending Applications:** As of September 24, 2021, West Virginia agencies and project teams have more than \$95 million in pending applications submitted to Federal funding agencies.
- 10. National Telecommunications and Information Administration (NTIA):** Four applications from West Virginia are currently pending with the U.S. Department of Commerce, National Telecommunications and Information Administration (NTIA) Broadband Infrastructure Grant Program. NTIA received more than 230 applications with requests totaling more than \$2.5 billion for the \$288 million program. Applications were submitted from 49 states and U.S. territories. Notably, West Virginia ranked 16th in the nation for the amount of funds requested by state. For more information about the NTIA program, view the [press release](#) summarizing the nationwide response. NTIA has issued request for comment on proposed funded service areas, found here: <https://broadbandusa.ntia.doc.gov/announcement-proposed-service-areas>.

11. Action Items

- 1. West Virginia Policy Concerning Bridge Attachments:** Bridge Attachments are governed by the WVDOH Utility Manual, available at the following link: https://transportation.wv.gov/highways/engineering/files/ACCOMMODATION_OF_UTILITIES.pdf



WEST VIRGINIA

Economic Development

WestVirginia.gov

West Virginia's Challenges

Challenges include:

- Mountainous Terrain
- Rural Areas with Low Population Density
- Legacy Systems Tied to Aging and Antiquated Technology
- Project Costs are Higher in Rural Areas: **LESS** Density = **HIGHER** Cost Per Location
- Project Costs are Increasing: Historic **INVESTMENT**=Supply Chain Limitations



**\$95
Million**

Pending Federal Applications

Pending Federal Applications

FCC Emergency Connectivity Fund (ECF)

Coordinated by the WV Department of Education

\$48.1 Million Requested

- \$21.2 Million Requested by the West Virginia Department of Education
- \$25.5 Million Requested by 24 West Virginia Counties

NTIA Broadband Infrastructure Program

Four Applications Pending

\$46 Million Requested

WV Ranked 16th in the Nation for the Amount of Funds Requested by States

ARC Power

Two Applications Funded/One Pending

\$6.5 Million Requested

**\$95 Million
Pending**



Awarded Federal Funds

Federal Broadband Investment in West Virginia

 **USDA ReConnect**
4 Winning Projects | \$40 Million Investment | 11,935 Households

 **USDA Community Connect**
4 Winning Projects | \$11 Million Investment | 7,952 Households

 **USDA Distance Learning and Telemedicine**
\$5.8 Million | 14 Projects in West Virginia

 **FCC CAFII**
3 Winning Bidders | \$12 Million Investment

 **ARC / ARC POWER**
4 Winning Projects | 1 Pending Project

**\$60 Million
Awarded**

Typical Cost Comparisons

SAMPLE of APPROVED APPLICATIONS

				<u>Per Location</u>
• USDA ReConnect	\$14 Million	205 Square Miles	2,500 Locations	\$5,600
• USDA Co/Connect	\$3.5 Million	56 Miles	600 Locations	\$5,833

AEP: Logan & Mingo Project

• AEP & GigaBeam	\$86.3 Million	400 Miles	13,000 Locations	<u>\$6,638</u>
			Avg. per Location	<u>\$6,023</u>

Approx. number of unserved locations in WV = 300,000

Estimate to reach all unserved locations = \$1,806,900

*Based upon current/previous gov't awards

West Virginia Broadband Investment Program

FOUR PROPOSED PROGRAMS DESIGNED TO MEET WEST VIRGINIA'S NEEDS AND ALL ARPA REQUIREMENTS

1. Line Extension Advancement and Development (LEAD)

- Expansions of existing fiber and cable networks

2. Major Broadband Project Strategies (MBPS)

- New networks or major expansions of existing networks

3. GigReady Incentive

- A state incentive for ISP and local governments and organizations to pool ARPA allocations or other local funding

4. Wireless Internet Networks (WIN)**Not eligible for Capital Projects Funding; State Funds Only

- Expansions or upgrades of existing fixed wireless networks

Program Launch-Target Dates

<https://broadband.wv.gov/>

1. Program Procedures: 10/18
2. Procedural Rules: 10/20
3. Target Area Maps: 10/26
4. Webinar 2 GigReady: 10/27
5. Webinar 3 LEAD: 11/3

The screenshot shows the website for the West Virginia Broadband Enhancement Council. At the top, there is a navigation bar with the logo, 'ABOUT', 'NEWS CENTER', a search icon, and two red buttons: 'TAKE THE SPEED TEST' and 'BROWSE THE MAPS'. Below the navigation bar is a dark blue banner with the text 'WEST VIRGINIA BROADBAND INVESTMENT PLAN'. The main content area features a news article titled 'WVDED, Broadband Enhancement Council and State Broadband Office issue Request for Comment Regarding Unserved Areas, comment period open until Sept. 7.' The article is dated August 13, 2021, and is attributed to 'CHARLESTON, W.Va. — The West Virginia Department of Economic Development'. To the left of the article is a sidebar with a red circle around the text 'Grant Program Information and Application Links' and a red arrow pointing to it. Below this text is a note: 'Link list will be updated as information is released'. To the right of the article is another sidebar titled 'Program Resources' with links for 'Preliminary Target Area Mapping Tool', 'Request for Comment on Address Data', 'Comment Form (Own Network)', 'Comment Form (Other Network)', 'Upload Comment Form Here', 'FAQ', and 'Preliminary Target Area Data' with an 'Address CSV' link.

Application Portal-Performance Dashboard

Performance dashboard,
providing the ability to create:

- Custom Applications
- Reports and Queries
 - Investment by county, district, company
- Financial Management
- Project Administration
- Project Status
- Monitoring
- Field Validation
- Auditing
- Closeouts

The screenshot displays the 'Application Portal-Performance Dashboard' for the West Virginia Department of Economic Development. The interface is clean and professional, featuring a header with the state logo and user information. The main content area is divided into several sections: 'Announcements' with sub-tabs for Administrators, Reviewers, ZoomGrants, and Add New; 'Tasks' with a link to 'West Virginia Department of Economic Development General Instructions'; 'Current Programs' with sub-tabs for Current Programs, All Programs, and Add a Program; 'Programs Waiting to Open' with a table listing programs like 'Local Government/Matching Broadband Funding Incentive Program'; 'Open Programs' (currently empty); and 'Recently Closed Programs (within 18 months)' (currently empty). A search bar is located in the top right corner.

Application Portal-Performance Dashboard

<https://www.zoomgrants.com/login/>

The screenshot displays the 'LEAD - Line Extension Advancement and Development Program' dashboard. At the top, it identifies the user as 'Kelly Workman' and provides navigation links for 'HELP', 'LOGOUT', and 'See Without Custom Colors'. The dashboard is powered by ZoomGrants and includes buttons for 'Account Settings' and 'Programs'. A search bar and a 'Search This Program' button are also present. The breadcrumb trail shows the user is in the 'LEAD - Line Extension Advancement and Development Program' dashboard. Key program information includes 'USD\$ 25,000,000.00 Available' and a 'Deadline: 10/8/2021'. A navigation menu includes 'Dashboard', 'Applications', 'Scoring', 'Financial', 'Reporting', 'Data', and 'Program Setup'. The 'Program Dashboard' section features an 'Announcements' sidebar with buttons for 'Administrators', 'Reviewers', 'Applicants', and 'Add New', and a 'Show Announcements' toggle. The main content area is divided into three panels: 'Applications' with a horizontal bar chart showing 'USD\$ 0.00 Approved' (0% of 1.0), 'Financial Reporting' with a horizontal bar chart showing 'USD\$ 25,000,000.00' for 'Invoice' and 'Payment' (100% of 25M), and an 'Edit Dashboard Items' link.

West Virginia Department of Economic Development

Account Settings Programs

Search Search This Program

Programs > LEAD - Line Extension Advancement and Development Program > Dashboard

LEAD - Line Extension Advancement and Development Program

USD\$ 25,000,000.00 Available
Deadline: 10/8/2021

Dashboard Applications Scoring Financial Reporting Data Program Setup

Program Dashboard [Edit Dashboard Items](#)

Announcements

Administrators Reviewers
Applicants Add New

+ Show Announcements
0 total messages

Applications

Approved Declined Undecided
Not Submitted

Official Decisions

0.0 0.5 1.0
USD\$ 0.00 Approved

Financial Reporting

Paid Approved Pending Remaining

Invoice
Payment

USD\$ 25,000,000.00

[Show Financial Reporting Details](#)

Estimated Timeframe

PROGRAM ROLL-OUT FALL 2021

- LEAD Program: Applications in multiple rounds through the end of January 2022
 - Funding decisions in late 2021 through early 2022
- GigReady: Applications on a rolling basis through the end of January 2022
 - Funding decisions in multiple rounds starting in early 2022 through fall 2022
- MBPS: Applications in one round due by the end of January 2022
 - Funding decisions early 2022
- WIN: Applications in multiple rounds, following roll-out of other programs
 - If State funds are allocated
 - Funding decisions through early 2022

Timeframes may change due to sources of funds and timing of funds availability.

Proposed Funding Levels – Capital Projects Fund

Funding Levels Subject to Change Depending on Appropriations & U.S. Treasury Rules

Program	LEAD	GigReady	MBPS	*WIN
Funding	\$30 Million	\$40 Million	\$40 Million	\$0 Million
Eligible Applicants	ISPs Operating Cable or Fiber Network	County, Municipal Governments, EDCs, EDAs, RPDCs, Private Partnerships Strongly Encouraged	ISPs Local Governments and Affiliated Organizations	ISPs with Existing Wireless Network *Subject to ARPA Rules
Speed Requirements	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 25/3, preferably 100/20
Match Requirements	At Least \$500 per Passed Premise	At Least 25 Percent of Project Cost	At Least \$500 per Passed Premise	At Least \$400 per Covered Premise

Proposed Funding Levels – State Legislative Appropriation

Funding Levels Subject to Change Depending on Appropriations & U.S. Treasury Rules

Program	LEAD	GigReady	MBPS	*WIN
Funding	\$10 Million	\$40 Million	\$40 Million	\$10 Million
Eligible Applicants	ISPs Operating Cable or Fiber Network	County, Municipal Governments, EDCs, EDAs, RPDCs, Private Partnerships Strongly Encouraged	ISPs Local Governments and Affiliated Organizations	ISPs with Existing Wireless Network *Subject to ARPA Rules
Speed Requirements	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 25/3, preferably 100/20 Mbps
Match Requirements	At Least \$500 per Passed Premise	At Least 25 Percent of Project Cost	At Least \$500 per Passed Premise	At Least \$400 per Covered Premise

Proposed Funding Levels – TOTAL FUNDING

Funding Levels Subject to Change Depending on Appropriations & U.S. Treasury Rules

Program	LEAD	GigReady	MBPS	*WIN
Funding	\$40 Million	\$90 Million	\$90 Million	\$10 Million (State only)
Eligible Applicants	ISPs Operating Cable or Fiber Network	County, Municipal Governments, EDCs, EDAs, RPDCs, Private Partnerships Strongly Encouraged	ISPs Local Governments and Affiliated Organizations	ISPs with Existing Wireless Network *Subject to ARPA Rules
Speed Requirements	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 25/3, preferably 100/20 Mbps
Match Requirements	At Least \$500 per Passed Premise	At Least 25 Percent of Project Cost	At Least \$500 per Passed Premise	At Least \$400 per Covered Premise

Evaluation Criteria-Technical Operational

- **Technical/Operational (50 Points)**
 - Readiness to Proceed
 - Commitment of match, preliminary engineering, permitting, rights of way, easements, make-ready/pole attachment agreements and/or conduit licenses.
 - Ability to Provide Gigabit Speed 1000/500

Priority will go to those projects that score well in all three categories

Evaluation Criteria-Financial Resilience

- **Financial Resilience (50 Points)**

- Private Sector Partner
- Cost-Efficiency: Grant amount per unserved premise passed and grant amount per mile of new cable or fiber plant
- Other factors, such as rural location or low density
- Matching Funds: One point for every \$100 in matching funding provided over \$500 per passed address, up to maximum of 10 points (which equals \$1500 per passed address).

Priority will go to those projects that score well in all three categories

Evaluation Criteria-Broadband Development Impact

- **Broadband Development Impact (40 Points)**
 - Affordability: Fully subsidized by FCC EBB (5 Points) or non-promotional service at 25/3, no data caps and one point for every \$10 under \$85/month
 - Community Impact
 - Digital Literacy Plans
 - Geographic Distribution
 - Regional Coordination
 - Strategic Partnerships
 - Relationship to State Plans

Priority will go to those projects that score well in all three categories

Monitoring and Oversight

OVERSIGHT OF PROJECTS AFTER AWARD WILL BE AS IMPORTANT AS SELECTION OF PROJECTS

ARPA Projects are Subject to 2 CFR 200

- Federal compliance and reporting
- Strong oversight
- Progress reporting to meet state and federal obligations

Key Program Requirements

- Participation in state broadband mapping
- Submission of network designs and as-builts
- Review of expenses and requests for reimbursement
- Field audits to verify construction and quality control

Q & A





West Virginia Development Office
State Capitol Complex
1900 Kanawha Boulevard East
Building 3, Suite 600
Charleston, WV 25305

(304) 558-2234

westvirginia.gov

GigReady Program Webinar

West Virginia Broadband Investment Plan

Wednesday, October 27, 2021, 9:30 am – 11:30 am

Register at: [West Virginia Broadband Investment Plan GigReady October 27, 2021](#)

GigReady Overview

The West Virginia Department of Economic Development (WVDED), in coordination with the West Virginia Broadband Enhancement Council and the State Broadband Office, will conduct a webinar to review the GigReady Program on October 27, 2021. The webinar will include a review of program procedures, technical assistance for public applicants, and the online application process.



Who Should Attend?

Local Elected Officials, State and Federal Partners, Regional Planning and Development Councils, Local Economic Development Authorities, ISP Partners, and Key Stakeholders.

Register at:

[West Virginia Broadband Investment Plan GigReady October 27, 2021](#)

American Rescue Plan Act (ARPA)

The GigReady Program proposes to use funds available to the State of West Virginia under the American Rescue Plan Act (ARPA) **Capital Projects Fund** as well as the ARPA State and Local Fiscal Recovery Fund. Program parameters are subject to ARPA, US Treasury rules, and other federal and state requirements.

GigReady Partnerships

Local governments in West Virginia have been allocated more than \$500 million from the ARPA Local Fiscal Recovery Fund, and many of them intend to invest that money in local broadband expansion.

The GigReady Initiative will provide matching state funds for local governments that develop projects to pool broadband investments. Applications will be submitted beginning November 2021 and funding decisions will be made on a rolling basis through early 2022.



TILSON

For more information visit: broadband.wv.gov

LEAD Program Webinar

West Virginia Broadband Investment Plan

Wednesday, November 3, 2021, 9:30 am – 11:30 am

Register at: [West Virginia Broadband Investment Plan LEAD November 3, 2021](#)

LEAD Overview

The West Virginia Department of Economic Development (WVDED), in coordination with the West Virginia Broadband Enhancement Council and the State Broadband Office, will conduct a webinar to review the Line Extension Advancement and Development (LEAD) Program. The webinar will include a review of program procedures and the online application process.



Who Should Attend?

Internet Service Providers, Local Elected Officials, State and Federal Partners, Regional Planning and Development Councils, Local Economic Development Authorities, and Key Stakeholders.

American Rescue Plan Act (ARPA)

The LEAD Program proposes to use funds available to the State of West Virginia under the American Rescue Plan Act (ARPA) **Capital Projects Fund**. Program parameters are subject to ARPA, US Treasury rules, and other federal and state requirements.

Register at:

[West Virginia Broadband Investment Plan LEAD November 3, 2021](#)

LEAD Partnerships

The LEAD program will award competitive grants to ISPs to expand existing fiber and cable networks.

Applications will be accepted in multiple rounds from November 2021 through January 2022, with funding decisions made on a rolling basis through early 2022.



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For more information visit: broadband.wv.gov

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

September 14, 2021

4:00 p.m. – 5:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Baldwin	Boggs
Plymale	Capito (absent)
Takubo	Householder
Tarr	Howell
Trump	Skaff
Weld (absent)	Summers

Speaker Hanshaw: “Let’s go ahead and call today’s committee meeting to order. In your packets are the minutes of the June 8th meeting of the committee, let’s take a moment and review those...those minutes. Questions from any member about anything in that minutes of the June 8th meeting of the committee? If not Chair recognizes the President. Questions on the motion at the June 8th, 2021, minutes of the meeting of the committee as distributed be approved, is there discussion on the motion? If not, those in favor of adoption of the motion will please say aye, and the opposed will please say no. The ayes have it, that motion is adopted, the minutes are approved. Let’s jump right in to taking up our monthly and quarterly reports, Secretary Carmichael.”

Secretary Carmichael: “Ladies and Gentlemen of the committee, I’m Mitch Carmichael, Secretary of Economic Development and I’m here today at your request on

a monthly, or on a regular meeting basis, to present the progress and give you an update regarding broadband expansion in West Virginia. So, with that, I'll take a few minutes to go through a few slides that highlight the activities that have occurred over the last several months and what is occurring as we move forward. So, from a perspective, it's important I think to realize, straight up from the front...is that our plan and the treasury plan revolves around providing broadband service to the unserved areas of West Virginia. That's our first and foremost focus and the ways that we're doing that is we're deploying the ARPA funds when you make those available to us. The broadband mapping and deployment has...we've got an incredible mapping portal that I'll give you some updates on it in a minute, and then we're securing all the federal funding from other sources other than ARPA for the expansion of broadband and I'll give you some details around that in a moment. We will continue to leverage from the state agencies and work with other entities within state government including the Department of Highways, Department of Environmental Protection, Office of Technology, Attorney General's Office, and our federal partners...and we're really encouraging our local government subdivisions to work with us to help us develop synergies through all the different funding streams that are available.

So, driving broadband investment in West Virginia, we've developed four programs to deploy the Capitol Funds Project and the ARPA funds and as you can see here, we've provided them with some great acronyms. The first is the LEAD program, which is the Line Extension And Deployment acronym, which is the piece that we talked about last time I was here and which...we're all familiar with the folks that can't get service, but their neighbor does have it and we have got a great program in place for that.

I'll elaborate on that in just a moment, but I just wanted to give you also the eligible applicants for these programs, the speed requirements, and please know upfront we are preference for gig service everywhere, fiber to the home...but that doesn't necessarily mean that everyone will get that. Some will be, as we talk about, those coax extensions and so forth, maybe some of them will be gig, some of them won't but it's important that we get a preference for gig service...and then we also put in the match requirements that as we evaluate these extensions, will be a component of the evaluation process. The Gig Ready Program is those institutions or local government entities that can help us provide gig service and expand those networks. The other programs, for instance the WIN program, the Wireless Internet Networks will be a component also, so we'll go over all those.

I know you're in a crunch for time and I've got about ten or fifteen slides to run through...but this portal, if you look broadbandwestvirginia.com will provide you the mapping data as well as the portals for applications for these funds that the local government entities can participate in and I think it's...like it's a real credit to you all that these programs are already stood up, they're already in place, people are participating in these programs already, and while we still...the funds are not available...we are positioned at your direction, to be able to deploy those quickly once the funds are available and this is again, a testament to your vision in having this stood up quickly.

So, we conducted on September 8th, a Broadband Investment Plan webinar, in which we had over 137 key...I mean it was a great virtual call...in which we had 137 key stakeholders, including local government entities, different EDAs, ISP partners, and community leaders to walk them through how they determine the mapping portals, how

they apply for the grant funding, and all those streams, and we're doing those on a monthly basis now Kelly? So, we'll continue to do those, we record them so if anybody didn't get an opportunity to see those, but they last about 90 minutes to two hours. We deal with all the questions and so forth, so it really is a proactive approach to making sure all the government subdivisions and interested parties have an opportunity to learn and be exposed to these programs.

So, in terms of the key element of our program, it is about serving the unserved and how we define unserved is the big question right? Many of you on this committee have said, these FCC maps are not correct and you're a thousand percent right. So, we want to be ready with our own mapping data to identify these areas. So, and this is a busy slide, but I'll just explain it a little bit. Addresses are based...the mapping data we use is to the specific address and when the FCC...which is, the FCC the 477 data, is self-reported by the providers that says we have broadband in this particular area, at this particular speed, and they turn that in to the FCC, and it's reported to us, and that's what all your RDOF maps are based on. That's what all the served/unserved areas are based upon. So, we went ahead and categorized that, a little bit more detail, with our own data which included...and Senator Plymale is very instrumental in this...OOKLA speed test data, and other components that are available to us to tell us what the speeds are in these areas but the first thing we need to know is if the FCC self-reported 477 data says we don't have service in this area, you can bet your life they don't have service in that area because there's never an occasion where somebody reported that we don't have service and they actually did, that just doesn't happen. So, we know when we see that data, we know there's not service in that area. Now the next thing we say, once we take this 477

data and it says that there's service in the area, we can then go and with extrapolating some of the OOKLA speed test data and some of the other data points that we have and knowing where the network infrastructure is in these areas, we can say that someone is likely unserved even though the 477 data says that they are served. We know, for instance, if 477 data says that they're serving that area with DSL, we know they're likely unserved. So, we categorize that as likely unserved, and you'll see some of the...you can't really tell from this picture the color points, but those color points indicate to us that's a likely unserved area.

Then we have data that shows we anticipate that it's likely served. Even though F77 or FCC 477 data says that it is served, we still don't completely embrace that, we don't take it at face value to say, yes, I know you must be served. We say you're likely served, there's fiber in that area, and so we have all that data that shows we think you're probably served, but we're going to validate it...and then we have areas that are funded, where the FCC says that there is not service in those areas and there's already a program in place funding it like RDOF or some of these other components.

So, we've got these four areas, now what we do, we ask the ISP providers to tell us and show us on your maps, give us your infrastructure requirements, and this is such a big deal, we have never been able to get this in the past and how many have responded Kelly? Fifteen people, fifteen ISPs have helped us determine exactly where those networks are available, what the speeds are, and is really helping us develop a better mapping coordinates and so forth. So, these are the people that...okay there's fifteen, you're right...so these people have already contributed these comment periods where they go in and submit maps to us and we go through on a rooftop basis identify where

those networks are. So ultimately the goal here is to categorize and recategorize these as unserved, served, and funded so we won't have likely served or likely unserved. We want to eliminate those categories but through a data driven process. So, as you can see the way this will work is, target areas for grants will be unserved remaining after the comment period that the ISPs have had an opportunity. You know, we don't want to overbuild somebody right? That's not our goal, with these limited amount of funds we want to provide service to those that don't have it. So, unserved and then the likely unserved remaining after the comments, and then the likely unserved or likely served that were changed to unserved after the comment period. So, we will know at that point who is served and who is not. So that just kind of gives you a pictorial analysis of the method that we're using.

So, I wanted to highlight for you some of the great things that have happened here just recently and over the last year, year and a half. Securing federal funds for broadband investment, this doesn't even include RDOF, this is hundred million dollars in pending federal applications, here's the FCC emergency connect fund that some in this...President Blair and Delegate Linville and Senator Plymale...helped spur applications from the Department of Education for these funds that total \$48 million dollars, and these are for hot spots, mobile hot spots for kids if they're unable to attend school in person and so forth. Then the NTIA, the National Transportation Broadband Infrastructure Program, we have four applicants for \$46 million dollars. We...and this is aggregate numbers not per capita, we're 16th in the nation for the amount of funds requested. Then the ARC power grants we have \$6.5 million pending in those requests. So, we are very active in working with our other community leaders and pulling down

federal funds in addition to the RDOF funds. Then, sixty million, this is over and above the hundred million that you just saw, have already been awarded and these are federal broadband help for providers and so forth. USDA reconnect, four winning projects, \$40 million dollars, almost 12,000 households passed, and when we say passed that doesn't mean they signed up it just means it could be available to them if they wanted it...and you know I won't read them all to you, but you can see this is a nice list that's occurred over the last twelve months or so.

Then, ARPA funding by states, I wanted to point this out to you as you consider moving forward with ARPA funds and how you allocate that, what some of the other states are...how they're utilizing it and have already met in sessions, in their sessions, and allocated some of these fundings. You can see some of our surrounding states and so forth. So then, the Rural Digital Opportunity Fund, that's the big program that we've talked about over the past. We had nine bidders in West Virginia, every one of them bid at the gigabit tier, which is a concern because some of them bid...wireless connectivity, low earth orbit satellites. They're going through, right now, the FCC, their qualification of those bids, it's round two, they go through and evaluate whether this technically can be accomplished, whether your bid was really on the terms that they agreed to. So, there's round one which is the bidding process, and then round two is...qualifies to make sure that they, you know, meet those locations. Almost 120,000 locations would be served and when you say served it means that a customer that signs up for the service, the provider must be able to deliver it within ten days of the order. So, that's the requirements of accepting the RDOF money, almost \$362 million dollars and it's a historic investment in West Virginia's broadband.

I want to commend you for the, from the Executive and Legislative support for broadband, it's been an amazing transformation and the pieces and the components that have enabled broadband and will enable broadband expansion. From things like pole attachments, rights of way, digital mapping, loan insurance for RDOF, I won't read the whole thing, but this is an expansive list that as we compare it to other states, fact I printed it out here, it's an incredible list of accomplishments that the Legislature and Executive branch have worked together. So, thank you for that, thank you for the presentation...time to present...and happy to answer questions or skedaddle."

Speaker Hanshaw: "Delegate Howell."

Delegate Howell: "Secretary, I spoke with you before the meeting and we looked at page thirteen in the book here and where...on the wrong, wrong one okay...where on your gigabit providers, the only county in the state that was 100% covered is my county..."

Secretary Carmichael: "Yeah."

Delegate Howell: "...and I'm pretty sure it's not. So, you were going to look into that."

Secretary Carmichael: "Yeah and this is FCC 477 data, which his question highlights the issue and the path that we in the development office are taking to validate this 477 data. In your case, let's see that would be SkyPacket."

Delegate Howell: "Which is Allconet out of Allegany County, Maryland."

Secretary Carmichael: "Yeah, which is a satellite provider of internet that they advertise and report to the FCC that they provide gig service to every census block in Mineral County. So, we know that that's probably not true and so they are now in our

likely unserved category, but this is...what you see before you is the mapping data provided by the FCC. So, it's included in your packet basically to highlight the discrepancy between FCC data and what we will go through and validate."

Delegate Howell: "But this will...so what you're telling me...when the state gets our data, this will not prevent my country from..."

Secretary Carmichael: "Nope."

Delegate Howell: "...getting the service that it needs."

Secretary Carmichael: "Right, in fact...or applying for grants or receiving grants because we in the development office and the FCC RDOF rules also...or treasury guidance rules...allow us to exclude non terrestrial broadband as being considered as served. So, we will exclude those areas and that's been a big problem, we all know it, in West Virginia, where some of the southern West Virginia in particular has been identified as served because they were identified in FCC data by...I won't name the companies...but they're different wireless satellite providers that show they're served, which we know is not the case."

Delegate Howell: "My other question was, at previous meetings you had talked about on the, I believe it's the LEAD program, where you know the neighbor a couple hundred feet down the road has high speed service, you don't. You said the state was going to set up a...was it an online? Where they could go..."

Secretary Carmichael: "Yup"

Delegate Howell: "...and say hey my neighbor has it, I'm two houses down I don't have it. Is that set up yet?"

Secretary Carmichael: “Yeah, if you go to that broadband website that I initially identified, I think it was on slide two of what I showed. Those opportunities for comment are there. So...I don’t know, it’s here somewhere...there it is. Yeah, those opportunities for the providers and...I’m not sure Kelly if the consumers have an opportunity...

Kelly Workman: “For the consumers we do ask that they take the speed test and there is a survey, at the top.”

Secretary Carmichael: “I’ll reiterate what she said just so that it can be picked up on streaming. For the consumers, we ask that you take the speed test and fill out the survey and the reason both those components are important is the speed test, OOKLA speed test data, will get us within a hundred meters of the actual rooftop. When you take the survey that corresponds with the speed test it’s directly on the rooftop, so we know...within a hundred meters is good, we’d rather be specific.”

Delegate Howell: “Okay.”

Secretary Carmichael: So...yeah great question.”

Delegate Howell: “Thank you.”

Secretary Carmichael: “I want to follow up, a couple questions there were raised from last time. The bridge, utilization of the bridge is for broadband expansion. We checked with DOH, they have a policy in place that we have to follow, it’s from what year Kelly? 2007, definitely needs updated...and then also your question Senator Plymale about utilization of e-rate funding for construction of a network is a viable option, it can be utilized for construction. So, that concludes my report.”

Speaker Hanshaw: “Senator Plymale.”

Senator Plymale: “Okay and thank you for that clarification too on the other. I think it was made known to us in the Transportation Committee...Oversight...that we allowed Facebook to build on the bridges on the Turnpike, so if we’ve done it there...and let’s be honest I think that you’re not talking about load.”

Secretary Carmichael: “No.”

Senator Plymale: “You’re talking about making it available for everybody. So, if you put one in, it’s also available to anybody from a competition standpoint, which I think most people would be all right with.”

Secretary Carmichael: “Yes. 100%.”

Senator Plymale: “Okay, so the other thing is, all the things we’ve been talking about are accessibility. We’ve never really done anything...I mean, we need to also look at affordability because with our per capita income and where we are in the state, in West Virginia, this is going to be an important thing. So, at some point in time when we look at maps, we also probably need to attach something on standard service and what that standard service is and affordability.”

Secretary Carmichael: “Yeah it’s actually...it’s an incredible point, it’s one I should have made. The treasury guidance will require, what is the phrase, Kelly? Market rate and then also demographic analysis of the income levels for where we utilize those funds. So, great point and then also I’ll point out that the federal government has another program called the Emergency Broadband Benefit program that provides \$50 subsidy for consumers that meet certain criteria and in West Virginia there’s 37,991 people already signed up for that program but great question.”

Senator Plymale: “Thank you.”

Speaker Hanshaw: “Delegate Boggs.”

Delegate Boggs: “Thank you Mr. Speaker. Mr. Secretary, good to see you. The one thing I always want to check on, and just clarify when we talk about this...when we’re talking about the underserved...or excuse me the unserved...we are including the underserved in that as well aren’t we? The people that have say, DSL service and it’s substandard, the speeds aren’t up to the minimum rates, are they still...or will they be considered unserved with that substandard service that they have now?”

Secretary Carmichael: “25/3 is the definition of broadband...”

Delegate Boggs: “Right.”

Secretary Carmichael: “...and with DSL I mean you could get it if you’re sitting right beside the...you know the DSLAM...but generally not. So, in almost every case, those who would be considered as unserved or underserved are less than 25/3, so they would be unserved.”

Delegate Boggs: “Very good. That’s something that is of great concern to those folks that are paying \$50 a month for speeds that...sometimes it works, sometimes it doesn’t but the speed is so substandard you can’t stream, you can’t...kids can’t do homework, there’s a lot of different things that you just can’t do with it and it’s...they’re very frustrated and I think that there’s a concern out there that they not be forgotten in this. So, obviously you’re not and I appreciate that.”

Secretary Carmichael: “Actually they’re the focus, of the program.”

Delegate Boggs: “Very good, thank you. Thank you, Mr. Speaker.”

Speaker Hanshaw: “Senator Tarr.”

Senator Tarr: “Thank you Mr. Speaker. Secretary, have we started anything on the grant process? I know there’s another \$136 million dollars sitting out there, have you started an application for that?”

Secretary Carmichael: “The treasury guidance...we were notified that that’s the amount of money that we will be receiving and that we were told within several weeks we will get the specifics in terms of how to drawdown those funds but as yet we do not have those.”

Senator Tarr: “Okay.”

Secretary Carmichael: “So...but we have everything in place. In fact, what they will require we’re told, is a plan much like we’ve just presented to you...”

Senator Tarr: “Okay.”

Secretary Carmichael: “...where there’s an idea on how you do it, how you achieve digital equity, what attempts you’re trying to make to serve the unserved, all those components are ready to go. All we have to do is hit send.”

Senator Tarr: “Could you be prepared to present that plan that you submit to them as well once you’ve submitted the application?”

Secretary Carmichael: “Yes, absolutely.”

Senator Tarr: “Thank you.”

Speaker Hanshaw: “Mr. Secretary, we thank you very much.”

Secretary Carmichael: “Thank you!”

Speaker Hanshaw: “Let’s have our lottery report update for the month.”

Director Myers: “Okay, tough duty to follow the Secretary. I’m John Myers, I’m Director of the West Virginia Lottery. Mr. Speaker, Mr. President, members of the committee, we appreciate the opportunity to be here today. I wanted to give just a short summary of 2021 revenues before I entertain questions about the current month’s report. Last year, in Racetrack Video Lottery we had a revenue of \$404.2 million dollars, which was 5.8% above fiscal year ’20, but the five-year average is \$485.1 million. So, you can see the racetracks were down substantially in that period of time. Greenbrier Video Lottery was \$5.6 million, which was 49.6% above fiscal year ’20, and it was above the five-year average of \$4.3 million. Limited Video Lottery was \$480.6 million, which was 47.2% above our fiscal year ’20, and the five-year average for Limited Video Lottery was \$355.6 million, so a significant increase in the performance of the Limited Video Lottery last year. Table Games \$26.8 million or 0.66% below fiscal year ’20, the five-year average is \$35.7 million so Table Games has not fully recovered. Greenbrier Table Games is actually up 56.8% above fiscal year ’20, the five-year average there is \$1.8 million. Sports Wagering in Retail, which is inside the casino, was \$1.7 million, 63% above fiscal year ’20. Sports Wagering Online on the telephone or on a computer, \$2.4 million which was 171.7% above fiscal year ’20. And iGaming was \$5.1 million, so that was our first year of operation for iGaming. So, iGaming actually outperformed sports wagering in that fiscal year. And Instant Tickets, our Instant Tickets were \$173.1 million or 20.1% above fiscal year ’20, where our five-year average is \$110.4 million, so the Instant Ticket sales have done very well in the past three years actually and the Senate President made comment about that the last time I was here. The Draw Games, which the Powerball Mega Millions,

were \$76.4 million, or 25.4% above fiscal year '20, where the fiscal year average is \$73.2 million, that's actually a little bit above the average. So, our total revenues were \$1.18 billion, or 24.3% above fiscal year '20, where our six-year average is \$1.066 billion, it's actually above the five-year average as well. In your packets today we also submitted the financial report for the previous months. If there are any questions, I'd be glad to entertain those at this time."

Speaker Hanshaw: "Thank you sir. Questions for Mr. Myers? Okay if not, sir we thank you very much."

Director Myers: "Thank you."

Speaker Hanshaw: "Chair was in error earlier and failed to take up a motion under the second item on the agenda. So, at this time the Chair would recognize Senate President Blair for a motion under Committee Reports and Requests."

President Blair: "Thank you Mr. Speaker, I move the Joint Committee on Government and Finance permit members of the Joint Redistricting Committee to meet separately as part of the Redistricting Committee of each House. Along with creating subcommittees that may also meet for the purposes of making recommendations to the Joint Redistricting Committee, the Joint Committee on Government and Finance, and the Legislature, on redistricting. That the committees and any subcommittees may meet at any time including outside of regularly scheduled interim meetings at the discretion of the Chairs under the supervision of the Joint Committee on Government and Finance...and all the members of the committee are entitled to compensation and reimbursement of expenses as authorized for members of the Legislature in accordance with the performance of their interim duties. That the time and place of the meetings or the public

hearing shall be announced by posting on the legislative website. That at the conclusion of its meetings, the Joint Redistricting Committee report to Joint Committee on Government and Finance a summary report of its findings. That the expenses necessary to prepare a report to draft necessary legislation be paid from the legislative appropriation to the Joint Committee on Government and Finance.”

Speaker Hanshaw: “The question now is on adoption of the motion just presented by Senate President Blair, is there discussion on that motion? Okay if not, those in favor of adoption of that motion will please say aye. Those opposed will please say no. The ayes have it, that motion is adopted. Thank you, Chair apologizes for that oversight. Let’s turn back now to our monthly and quarterly reports with our general revenue and state road fund update.”

Secretary Muchow: “Good afternoon, I’m Mark Muchow with the Department of Revenue, and I’m going to report on August revenue collections and year to date revenue collections for fiscal year ’22. In the month of August, we collected \$383.45 million dollars for the general revenue fund, that was \$29.9 million above estimate, and 15.7% ahead of last year, so very good month of August. I’ll go through the major components, first component is sales tax, sales tax \$12.9 million above estimate in August, and 7.3% ahead of last year. Year to date sales tax collections of almost \$231 million, or 8.25% above estimate, and 4.3% ahead of last year. Actual total sales tax collection growth is greater than 4.3%, it’s actually closer to 8.1%. Now the reason why general revenue only showed 4.3% is because we had a huge gain in sales tax collections during the last quarter of last fiscal year, and some of those collections belong to the municipalities. So, our distribution to municipalities which goes out quarterly, July was the quarterly payment month, that

distribution rose from \$21.5 million dollars last year, to almost \$33.1 million dollars this year, that was about a 54% increase. Now, some of that is there is some new municipalities added to the list, but some of it was just pure growth on that local tax...so that overall number is really strong there. Personal income tax collections \$154.5 million in August, that was basically \$5 million above estimate, 7.2% ahead of last year. What was really of note is the withholding taxes on wage and salary, the first two months of this year are basically 10% higher than last year. That tells me more people are working and people are getting paid more in the process. Year to date on the income tax, \$296.3 million dollars, that's \$19.7 million above estimate. Now technically it's 29.5% below last year. However, last year we didn't have to pay our income taxes until July, if you take away \$144 million dollars of revenue shift from last year, we're actually up 7.2% year to date on personal income tax on an adjusted basis. That's about \$19.8 million dollars more than last year at this time. Severance tax, severance tax is the big story with collections, energy prices have inflated significantly in recent months and I'm talking significantly, it's not small...much more than we thought...well we thought there would be an increase, but the increase is much greater than we originally looked at. In the month of August, we collected \$45.9 million for the general revenue fund, that was \$8.9 million above estimate, 327% higher than last year. Year to date general revenue fund collections are \$49.3 million, which is basically \$19.9 million ahead of estimate, and technically 1,120% ahead of last year, a \$45.3 million dollar revenue gain, that's 61% of our total revenue gain is severance tax. Now, overall severance tax, we send money to the infrastructure bond fund each year and we also send our quarterly distributions to counties with regard to coal. Overall, severance tax collections from all sources are up 151% year to date and

213% for the month of August with upward momentum. Price of natural gas, toward the end of last year was down to around \$1 per million BTU. In August, here locally it was over \$3.60 per million BTU...huge again and with that, anytime we get anywhere near \$3.00 or higher on natural gas that means that coal is more competitive and electric power generation, so you're seeing upward movement in coal, fire, and electric power generation...little bit of downward movement in gas fire generation so that's one look. Higher natural gas prices also good for the coal industry. Corporate income tax collections, I'll mention that, technically we're about \$400,000 below estimate in August, and down from last year but year to date we're above estimate by about \$5.2 million, technically 79% below last year. However last year, corporations didn't have to pay their tax until July as well. If you take away \$56 million dollars that got carried over last year, we're actually up on corporate collections by about 20.3%. The corporate taxes performed well in recent...last two or three years...and that's about \$2.3 million ahead of last year. Overall, year to date collections for general revenue, if you take away about \$200 million dollars that came in last year in July, we're running about 12% ahead of last year, \$73.9 million and again over 60% of that is the severance tax.

Moving on to state road fund, state road fund collections in August, I'm talking about state only revenues, \$79 million dollars, that was \$15 million below estimate but 12.1% ahead of last year. Year to date we've collected \$159.7 million, that's \$11.5 million below estimate but 5.2% ahead of year. The good news is on the road fund is motor vehicle sales tax, motor vehicle sales tax has done very well. If you can find a vehicle, you're going to pay a premium for that vehicle. In the month of August, we were \$5 million

above estimate, 41% ahead of last year, and for the year to date \$56.1 million in collections, that's \$8.3 million ahead of estimate and 12.1% ahead of last year.

Now the other two components, the license and registration fees and the motor fuel tax, those are two components...and there's other components of revenue throughout the system that got affected by COVID...but they were the major victims of COVID. Motor fuel tax, still to this date, travel on interstate highways on weekends is less than what I remember in years past and consumption of fuel is still down a little bit but we're beginning to recover. We hit bottom a few months ago and we're starting to recover a little bit. On the month of August, we were \$9.4 million below estimate and about 4.2% below last year, year to date \$73.8 million, slightly below estimate and slightly below last year. Pre-COVID we were averaging \$440 million dollars a year in collections, the twelve month...current twelve-month trailing trends about 403, so there's a little bit of a shortfall there. We expect recovery as folks get back on the road, maybe not all the way back to 440 but a good ways back in the next year or so. Registration fees, collections in August were \$12.5 million, that was \$6.2 million below estimate but it was ahead of last year by 12%. Last year, we were in the middle of a 90-day or more extension for people to renew their registrations, so collections last year were pretty low. Year to date the registration fees are \$28.2 million, that's \$6.9 million below estimate but 5% ahead of last year. Registration fees on a twelve month trailing trend are about...somewhere in the \$135 to \$137 million neighborhood, it should be closer to 150 so there's still some folks out there that need to come in and register their cars...and when you do register your car you have the option to do one year or two years and possibly more folks went to the one year option as well so that can also effect revenues...but overall the numbers on the road fund are

not so bad, they're in line with long term expectations particularly with the motor vehicle sales tax running high it offsets some of the shortages elsewhere. If there's any questions?"

Speaker Hanshaw: "Questions from any member of the committee?"

Delegate Householder: "Thank you Mr. Speaker. Deputy Secretary, maybe you can answer this question or maybe Secretary Hardy at the next meeting. By August 31, we were supposed to have a report on our ARPA funds. If you could maybe provide a report next month to us so we can see the expenditures and how that money was spent if that's possible."

Secretary Muchow: "On the ARPA funds that are dedicated to the state of West Virginia, I don't have a report in front of me but there was a report filed I think with the federal...federal, required by federal...at the end of August, that was filed and the spending of state ARPA funds is zero because they have to be appropriated by the Legislature so..."

Delegate Householder: "Right."

Secretary Muchow: "...right now it would be zero."

Delegate Householder: "Okay."

Secretary Muchow: "But it was filed with the federal government treasury, U.S. Treasury, it's on file."

Delegate Householder: "Okay, appreciate that, thanks."

Speaker Hanshaw: “Questions for Mr. Muchow? If not, Mark, we thank you.”

Secretary Muchow: “Thank you.”

Speaker Hanshaw: “For the benefit of all members, there is another meeting in this room scheduled for five, so we do have a report sought by this committee to be delivered by Secretary Crouch later on the agenda. In interest of allowing adequate time for that report I’d like to ask does any member have a question about the report from Workforce West Virginia today that you’d like to have a representative come to address? If not, does any member have a specific question to take up on any of the reports for PEIA, BRIM, or the Real Estate Division? Any member have a question about the report from the Investment Management Board? Any member have a question about the report from the Insurance Commissioner today? Okay if not I will, I will say to those agencies you are free to go if you choose. At this time, I’d like to turn to DHHR on the agenda, Mr. Secretary?”

Secretary Crouch: “Sir, thank you Mr. Speaker, Mr. President. I appreciate the opportunity to speak, I would be remised not to thank Chairman Pack who I think started this before he left the Legislature so...I’ve thanked him in person so...presentation, are we up? I...do you have that in front of you?”

Speaker Hanshaw: “We do Mr. Secretary, yes sir.”

Secretary Crouch: “Okay, may I proceed without the screen then?”

Speaker Hanshaw: “Please.”

Secretary Crouch: “Thank you. Yeah, I have a presentation here that provides a lot of background information. What I might do is skip part of this and really get to what I believe is the purpose of my presentation and what I was asked to talk about a little bit

and that is a plan for these four long term care facilities. As you know, we have four long term care facilities that are operated by the state, we have two psychiatric hospitals that are operated by the state, and we have one acute care hospital that is operated by the state. So, this particular focus because that is what Chairman Pack had originally requested is on the four long term care facilities. If we look at just page one, or slide one, and you look at the potential solutions for consideration, I think everyone is probably aware that...I started actually in 2017 and one of my first efforts was to look at privatizing the long-term care facilities in the state. As late as last session, there was a bill that was generated in House Health to close these four facilities, that bill went out of...got out of House, went to...was referred to House Finance where it sat and did not move. Closure is still an option, that clearly was not an approach the Legislature chose to go forward with last year.

Acquisition or privatization is another way to do this which is to in some manner...and this is all new territory here in terms of what we're looking at...but in some manner either sell the license to these beds, or to sell the facilities, which I've not really included as a viable approach because the facilities are old and outdated and need to be, need to be replaced. So, if we sell the license to the beds, at least look at that as an option to private entities, whether those be in state or out of state providers in the private sector...nursing home providers in the private sector...and then look at a way to make sure that those buildings are replaced with smaller buildings in most cases except for Marion County Facility, which would need to be a little larger than it is now...and look at then, look at these as economic development projects in these four communities where these facilities are located so that there's construction projects where people are hired,

we have increased employment in the communities. The salary rates for the private sector are higher than they are for West Virginia State Government so those individuals will get an increase in salary and the community would get B&O taxes, city, county, would get B&O taxes I believe in all four instances here...and then there's also state taxes to be paid on these properties. So, what I'm looking at as a possibility here is an economic development package for each of these communities in which everyone can sign off on...that we get the community to agree to that.

The employee piece, I've said before, our employees do such a great job, they are just terrific at what they do. They've been there, many of them, for twenty years or more and what I've proposed in the past is actually taking the funds from the sale of the license and providing those back to the employees as a bonus. I know that the conversion of workers comp years ago, there's a lot of debate in terms of whether that went well or did not go well, this would be a little different from the standpoint of looking at individual employees in terms of their salaries, their tenure, and making a...somewhat of a chart in terms of how much they would get from the standpoint of the sale of those licensed...to give them the additional retirement funds or additional bonus money that they would have gotten if they stayed with the state, that's one option. Again, I am open to any approach to this and any way that we might make it work. I really believe we're...the state is just not a good provider of direct services, we don't...we don't respond quickly sometimes, purchasing has been difficult, hiring employees...right now with COVID...the number of nurses, the number of clinical folks we hire through staffing agencies has grown to \$12 million dollars. That was, you'll see in your...you'll see in your presentation I believe on slide seven, that has grown from \$5.7 million 2019, to this latest fiscal year, ending June

30, to \$12 million dollars. It's a significant amount more than that for our psychiatric hospitals and our acute care hospital. We now have a situation where we are competing for staff with acute care hospitals, we're competing staff...for staff with the private nursing home industry, it's almost a bidding war at times. Nurses are...we have reports from hospitals...having a meeting with them at eight in the morning...we have reports of them paying over \$150 an hour for a nurse. That number may go higher it may go over \$200 an hour; it is an extremely difficult situation.

Which brings me to a point, I want to make sure because so there's no questions later, if you notice on page three, which has the licensed bed capacity, it has the licensed beds, it has the bed capacity that we are basically set up and staffed for right now that we could fill based upon the staff we have, and it has the current census for these facilities. The reason these are so low is when the Legislature last year chose to introduce a bill to close these facilities, I made the decision to stop taking new patients. I clearly believed that at that time the bill was probably going to go through. I didn't want to admit patients and then immediately have to look at discharging patients and moving patients to another facility. By the end of the session, when that didn't happen, I decided to maintain that hold for the simple reason that we were already having great difficulty with staffing. We were already seeing higher numbers in terms of staffing agencies hires especially for clinical folks. The other part of that is the private sector, during this period when this bill was submitted in the Legislature, agreed to take these patients. Now these are patients that have a little bit higher acuity, in some cases a lot higher acuity. They're patients that have geri-psych issues, they're not psychiatric patients that go into an acute care short term psychiatric hospital, but they are patients who need more care than the average nursing

home patient. The private nursing home folks agreed to take these patients if these four buildings were closed. They have stepped up and they are taking these patients. So, we have patients being served now, that were still being served before, by the private sector and we also have a situation where these facilities are looking to help in terms of making sure those patients are cared for, which is new, in the past we didn't quite have that. So, we're very pleased with that, we're working well together with the nursing home industry.

So, I really believe we're looking at a solution here for a problem that includes better conditions for these patients. These patients deserve...if you've been in some of these buildings...again the staff takes such good care of these folks, I'm extremely proud of the staff...but some of these buildings are just outdated. You'll see the, also on page three, the original date of the construction of these buildings. They have been built over time, renovated somewhat over time, some are better than others, but patients deserve a newer facility. In the private sector, a building that's forty years old is...the company that owns that building knows they need to replace that building and they do. Patients need light, they need outdoor activities, they need places where they can sit, and these buildings don't provide all of the current modern accommodations that these folks need. This is their home, this is where they live and I always tell our folks, we just visit, they live here, they're there every day, every day and so it fixes...it takes care of that problem, but it also eliminates a long-term liability for the state. We have maintenance costs that are unbelievable in some of these buildings. We have huge numbers of maintenance workers in some of these buildings that we wouldn't have, and the private sector wouldn't have. So, with that, to give time for questions, I hope that's...a little bit shortened but I think all the rest of the information on here is self-explanatory."

Speaker Hanshaw: “All right, questions for the Secretary. Delegate Householder.”

Delegate Householder: “Thank you Mr. Speaker. Mr. Secretary, for the last five or six years this is the same lip service that I’ve been hearing. When are we going to do something about it? You obviously have the authority to close down these facilities at your discretion, why haven’t we done it?”

Secretary Crouch: “I thought the Legislature was going to do it last year but from the standpoint of making these decisions...it is a difficult sell in terms of these communities to get everyone involved to agree to this. I’ve talked to, I have three companies right now that I am discussing this with, so I am very serious about it, I’m moving forward on this. I had in 2019, I had information, I had a study done on salaries so that we could look at how to try and fix that problem and then COVID hit, so we’ve been struggling since then just trying to keep these buildings going.”

Delegate Householder: “Okay, thank you Mr. Secretary, thank you Mr. Speaker.”

Speaker Hanshaw: “Delegate Summers.”

Delegate Summers: “Thank you Mr. Speaker, last year when our committee passed out the bill to sell these facilities, we had an opportunity because of COVID. The private sector all of the sudden had the capacity then to be able to take every one of our residents. We also came up with a one-year severance package to offer all of the employees, which had been a contention the year or two before that because we didn’t want these people to not be able to have jobs or stability. So, we’ve had these perfect opportunities that the state could do something about this and the Legislature and DHHR don’t have the will to do this. Therefore, we’ve got to come up with how much money you

need for us to have new buildings because the places are not acceptable. So, if we're not going to move forward, we have funding that's going to be available, we're going to have to build new places. So, instead of beating this same drum...I've been beating it for seven years I'm getting tired of it...we might as well come up with a new plan. So, maybe we could get some estimates on how much money that would take for us to consider with some of our funding that's available. Thank you."

Secretary Crouch: "If I could add, that is one of the options listed on page one in terms of facility replacement and I'm happy to try and get some additional costs on that. Those costs have not been updated for years but that would also include looking at the patient population we have and what we think we need to serve in terms of the size of those buildings, etc. So, thank you Delegate."

Speaker Hanshaw: "Other questions for Mr. Secretary? Senator Tarr."

Senator Tarr: "Thank you, Mr. Speaker. Secretary, this question is a little off topic, so I wanted to let everybody discuss that part. Just came out of Joint Education, a meeting, over in House Chamber and we had Deputy Superintendent of State Schools Michelle Blatt, and they've given out a guidance that is a school recovery guidance for COVID-19, and the question...I asked the question that if a state...or excuse me, if a County Board of Education set up their own policy for how they would handle mask issues and quarantine issues within their county that did not agree with this guidance, what would be the action of the state board and they said we don't have one it would DHHR. So, I asked if anyone from DHHR was there, and nobody was there and it's fair because we didn't give them a heads up on that because I didn't expect that answer. So, now that I have the Secretary of DHHR here, their referencing 64CSR7...my question is, is that if...if

this that was...the board of education tells me that DHHR gave guidance for this, is that accurate?"

Secretary Crouch: "That is accurate, yes."

Senator Tarr: "Okay, so if a County Board of Education elects to set up their own policies on student quarantines and masks...and the reason that comes up is because the data is about two weeks behind and different for every county...then what repercussions, if any, are there to a county board of education and who can weigh those repercussions if they decide to set their own policy?"

Secretary Crouch: "I try not to give legal opinions. I do think that's something we'd have to look at carefully in terms of what that policy is, what the impact is on the schools, on the children. We try very hard to make sure we provide incentives to keep children in school, that's our priority...and safe. We have over 20,000 children right now below the age of sixteen that are positive for COVID, and we have...the dashboard just came up while I was sitting there so I haven't looked at today's information to see if much has changed but...and in terms of outbreaks I think we had 88 school outbreaks yesterday. I think we have our state epidemiologist here, we asked her after we—"

Senator Tarr: "Yeah I would imagine that differs by county as well, probably even down...I imagine that differs by county, maybe even down to the school level in where those outbreaks come, and so I know that data trails a little bit and that's the reason I think that the education being interrupted by the students that are going into quarantine is significant...and the issue has been brought to me by a lot of parents and it's been brought to me by school board members, it's been brought to me by teachers that are

having a hard time keeping up with it...with the quarantine policy being unacceptable...and so with that, county board of education officials are elected, they have a local county health board who can help them make those decisions, and so why weighing down then the state if they can do that at the local area?”

Secretary Crouch: “Again, I can’t comment not knowing what the policy would be, but we have been very focused on letting communities make those decisions on their own, that’s why we have different school boards making those decisions, different local health officers making decisions on those. The local health officer has the responsibility...has the authority under the statute, to quarantine. They can do that with a written...written quarantine order, that is a legal document in that...in that county. So, again I don’t know if I can answer any better than that. We do want decisions made locally, there are certain parameters to that, we follow CDC guidelines everywhere we can because they follow the science, and they give all states guidance in terms of how to deal with this pandemic and how to deal with this virus. So...unless I knew what the policy was and how it impacted the children and the schools, I can’t really answer any better than that.”

Senator Tarr: “Okay, thank you.”

Secretary Crouch: “Yes sir.”

Speaker Hanshaw: “With that folks, it is after five, we do have another meeting in this room, so we have to vacate the venue at this point. Chair would recognize President Blair for a motion to adjourn.”

President Blair: “I move we adjourn.”

Speaker Hanshaw: “Those in favor of the motion to adjourn will please say aye, those opposed will please say no. The ayes have it, we are adjourned. Thank you to all presenters.”

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 2530*

304-347-4870

October 26, 2021

Executive Summary WV Lottery, Unemployment Trust, General Revenue and State Road Fund

- West Virginia Lottery as of September 30, 2021
Gross profit as of September 30, 2021 was \$141.8 million. Gross profit as of September 30, 2020 was \$123.2 million.
- West Virginia Unemployment Compensation Fund as of September 30, 2021:
Total disbursements were \$184 million lower than in fiscal year 2021. Overall ending trust fund balance was \$329.6 million higher on September 30, 2021 than on September 30, 2020.
- General Revenue Fund as of September 30, 2021
The general revenue collections ended the third month of fiscal year 2022 at 114% of the estimate for the year. Total collections were \$142.7 million above the estimate for the fiscal year.
- State Road Fund as of September 30, 2021:
The state road fund collections ended the third month of fiscal year 2022 at 99% of the estimate for the year. Total collections were \$2.6 million below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

MEMORANDUM

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: William Spencer, CPA
Director Budget Division
Legislative Auditor's Office

Date: October 19, 2021

Re: Review of West Virginia Lottery Financial Information
As of September 30, 2021

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for September 30, 2021, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$320.5 million for July-September of fiscal year 2020-2021. Table games accounted for \$9 million of this total. Historic Resort Hotel video lottery accounted for \$2.4 million of total gross receipts. Gross lottery revenue has increased by 15% when compared with July-September of fiscal year 2020-2021. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July-September was \$141.8 million; for July-September of last fiscal year it was \$123.2 million. Expressed as a percentage, gross profit is 15% higher for fiscal year 2022 than for fiscal year 2021.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$134,579,000.00 has been accrued to the state of West Virginia for fiscal year 2020-2021. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.

A schedule of cash transfers follows:

State Lottery Fund:

Bureau of Senior Services	\$46,660,000.00
Community and Technical College	\$1,498,000.00
Department of Education	\$9,574,000.00
Library Commission	\$7,678,000.00
Higher Education-Policy Commission	\$4,844,000.00
Tourism	\$4,489,000.00
Department of Natural Resources	\$2,296,000.00
Division of Culture and History	\$2,842,000.00
General Revenue Fund	\$0.00
Economic Development Authority	\$2,999,000.00
School Building Authority	\$5,400,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$88,280,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$6,306,000.00
Higher Education Improvement Fund	\$4,500,000.00
General Purpose Fund	\$13,288,000.00
Higher Education Improvement Fund	\$5,928,000.00
State Park Improvement Fund	\$307,000.00
School Building Authority	\$5,696,000.00
Refundable Credit	\$181,000.00
WV Racing Commission	\$1,208,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$17,000,000.00
WV Lottery Statutory Transfers	\$12,474,000.00
Economic Development Authority	\$1,318,000.00
General Revenue Fund	\$0.00
Office of Technology	\$0.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$9,978,000.00
Total State Excess Lottery Revenue Fund	\$78,184,000.00

Total Budgetary Distributions:	\$166,464,000.00
Veterans Instant Ticket Fund	\$188,000.00
Pension Plan	0.00
TOTAL TRANSFERS	*\$166,652,000.00

Lottery continued

* CASH BASIS

Total Accrued last FY 2021:	\$166,942,000.00
Total Cash Distributions FY 2022:	\$166,652,000.00
Applied to FY 2021:	\$166,652,000.00
Applied to FY 2022:	\$0.00
Accrued for FY 2021 as of September 30:	\$290,000.00
Accrued for FY 2022 as of September 30:	\$134,869,000.00

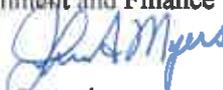


P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John A. Myers, Director 
RE: Monthly Report on Lottery Operations
Month Ending September 30, 2021

DATE: October 18, 2021

This report of the Lottery operations is provided pursuant to the State Lottery Act.

Financial statements of the Lottery for the month ending September 30, 2021 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$103,598,904 for the month of September.

Transfers of lottery revenue totaling \$41,256,220 made for the month of September to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of September 30, 2021 was 1,517 and 1,224 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JAM
Attachment

pc: Honorable Jim Justice, Governor
Dave Hardy, Cabinet Secretary – Dept. of Revenue
Riley Moore, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

September 30, 2021

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
STATEMENT OF NET POSITION
(In Thousands)
-Unaudited-

ASSETS	September 30, 2021	June 30, 2021
Current Assets:		
Cash and cash equivalents	\$ 167,047	\$ 198,583
Accounts receivable	33,789	35,077
Inventory	1,067	911
Other assets	1,673	1,806
Total Current Assets	<u>203,576</u>	<u>236,377</u>
Capital assets	60,923	60,923
Less accumulated depreciation and amortization	<u>(18,917)</u>	<u>(18,503)</u>
Net Capital Assets	<u>42,006</u>	<u>42,420</u>
Total Noncurrent Assets	<u>42,006</u>	<u>42,420</u>
Total Assets	<u>\$ 245,582</u>	<u>\$ 278,797</u>
Deferred outflows of resources	<u>\$ 2,537</u>	<u>\$ 2,537</u>
Total assets and deferred outflows	<u>\$ 248,119</u>	<u>\$ 281,334</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 134,869	\$ 166,942
Estimated prize claims	17,891	16,445
Accounts payable	2,488	2,265
Other accrued liabilities	33,484	36,295
Total Current Liabilities	<u>188,732</u>	<u>221,947</u>
Deferred inflows	<u>\$ 2,355</u>	<u>2,355</u>
Net Position:		
Net Investment in capital assets	42,006	42,420
Unrestricted	15,026	14,612
Total Net Position	<u>57,032</u>	<u>57,032</u>
Total net position, liabilities, and deferred inflows	<u>\$ 248,119</u>	<u>\$ 281,334</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2022	FY 2021	FY 2022	FY 2021
Lottery revenues				
On-line games	\$ 7,700	\$ 4,998	\$ 19,101	\$ 15,274
Instant games	13,743	13,515	43,036	39,726
Racetrack video lottery	37,969	32,845	121,445	99,793
Limited video lottery	39,460	36,822	122,261	114,859
Table games	2,791	1,968	8,967	5,824
Historic resort	637	550	2,394	2,262
Sports Wagering	541	376	1,021	735
Interactive Wagering	757	230	2,302	409
	<u>103,598</u>	<u>91,304</u>	<u>320,527</u>	<u>278,882</u>
Less commissions				
On-line games	543	343	1,349	1,062
Instant games	961	946	3,013	2,781
Racetrack video lottery	20,832	18,020	66,629	54,750
Limited video lottery	19,336	18,043	59,908	56,281
Table games	1,183	834	3,800	2,468
Historic resort	264	359	1,155	1,164
	<u>43,119</u>	<u>38,545</u>	<u>135,854</u>	<u>118,506</u>
Less on-line prizes	4,199	1,599	10,504	7,709
Less instant prizes	9,361	9,149	29,304	26,904
Less ticket costs	179	122	441	373
Less vendor fees and costs	842	544	2,615	2,143
	<u>14,581</u>	<u>11,414</u>	<u>42,864</u>	<u>37,129</u>
Gross profit	<u>45,898</u>	<u>41,345</u>	<u>141,809</u>	<u>123,247</u>
Administrative expenses				
Advertising and promotions	747	262	1,652	819
Wages and related benefits	858	847	2,641	2,601
Telecommunications	43	42	175	168
Contractual and professional	308	555	846	1,424
Rental	7	7	59	36
Depreciation and amortization	138	138	414	414
Other administrative expenses	392	139	692	438
	<u>2,493</u>	<u>1,990</u>	<u>6,479</u>	<u>5,900</u>
Other Operating Income	<u>428</u>	<u>1,084</u>	<u>1,666</u>	<u>3,272</u>
Operating Income	<u>43,833</u>	<u>40,439</u>	<u>136,996</u>	<u>120,619</u>
Nonoperating income (expense)				
Investment income	(18)	(71)	68	225
Distributions to municipalities and counties	(773)	(722)	(2,396)	(2,251)
Distributions -capital reinvestment	(20)	(27)	(89)	(73)
Distributions to the State of West Virginia	(43,022)	(39,619)	(134,579)	(118,520)
	<u>(43,833)</u>	<u>(40,439)</u>	<u>(136,996)</u>	<u>(120,619)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	57,032	55,589	57,032	55,589
Net position, end of period	<u>\$ 57,032</u>	<u>\$ 55,589</u>	<u>\$ 57,032</u>	<u>\$ 55,589</u>

The accompanying notes are an integral part of these financial statements.

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

(In Thousands)

-Unaudited-

	2022	2021
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 323,481	\$ 396,454
Cash payments for:		
Personnel costs	(2,641)	(2,601)
Suppliers	(3,407)	(3,922)
Other operating costs	(176,705)	(263,620)
Cash provided by operating activities	<u>140,728</u>	<u>126,311</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(166,652)	(155,002)
Distributions to municipalities and counties	(2,417)	(2,330)
Distributions to racetrack from racetrack cap. reinv. fund	(3,376)	(3,582)
Cash used in noncapital financing activities	<u>(172,445)</u>	<u>(160,914)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>181</u>	<u>326</u>
Increase (decrease) in cash and cash equivalents	(31,536)	(34,277)
Cash and cash equivalents - beginning of period	198,583	198,583
Cash and cash equivalents - end of period	\$ <u>167,047</u>	\$ <u>164,306</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 136,996	\$ 120,619
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	414	414
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,288	114,300
(Increase) decrease in inventory	(156)	(570)
(Increase) decrease in other assets	20	(8)
Increase (decrease) in estimated prize claims	1,448	(108,080)
Increase (decrease) in accounts payable	224	(675)
Increase (decrease) in other accrued liabilities	494	311
Cash provided by operating activities	<u>\$ 140,728</u>	<u>\$ 126,311</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the "State Lottery Fund." The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission consisting of seven members and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below.

BASIS OF PRESENTATION – The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

WEST VIRGINIA LOTTERY
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

The Lottery has contracted with a private vendor to manufacture, distribute, and provide data processing support for instant and on-line games. Under the terms of the agreements, the Lottery pays a percentage of gross revenues or gross profits for the processing and manufacture of the games.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state “jackpot” game; Mega Millions®, a multi-state “jackpot” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of seven percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent’s on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery’s sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
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-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), and licensed historic resort hotels as defined by WV Code. Each licensee as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

OTHER ASSETS – Other assets consist of deposits restricted for payment of certain Multi-State Lottery Association activities and prepaid expenses.

CAPITAL ASSETS – The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

ADVERTISING AND PROMOTIONS – The Lottery expenses the costs of advertising and promotions as they are incurred.

COMPENSATED ABSENCES – The Lottery has accrued \$835,830 and \$813,247 at June 30, 2021 and 2020, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan.

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION – Net position is presented as restricted, unrestricted and net investment in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

OPERATING REVENUES AND EXPENSES – Operating revenues and expenses for proprietary funds such as the Lottery are revenues and expenses that result from providing services and producing and delivering goods and/or services. Operating revenues for the Lottery are derived from providing various types of lottery games. Operating expenses include commissions, prize costs, other direct costs of providing lottery games, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 3 - CASH AND CASH EQUIVALENTS

At September 30, 2021 the carrying amounts of deposits (overdraft) with financial institutions were \$1,441 thousand with a bank balance (overdraft) of \$1,503 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia’s agent in the State’s name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

	September 30, 2021	June 30, 2021
Deposits with financial institutions	\$ 1,441	\$ 461
Cash on hand at the Treasurer's Office	33,415	26,655
Investments with BTI reported as cash equivalents	132,191	171,467
	\$ 167,047	\$ 198,583

The deposits with the BTI are part of the State of West Virginia’s consolidated investment cash liquidity pool. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended September 30, 2021 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2021	Additions	Deletions	Historical Cost At September 30, 2021
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	<u>\$ 60,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,923</u>

Accumulated
Depreciation:

	Historical Cost At June 30, 2021	Additions	Deletions	Historical Cost At September 30, 2021
Buildings	\$ 10,165	\$ 308	\$ -	\$ 10,473
Equipment	8,338	106	-	8,444
	<u>\$ 18,503</u>	<u>\$ 414</u>	<u>\$ -</u>	<u>\$ 18,917</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game, the LOTTO AMERICA® game, and the MEGA MILLIONS® jackpot game on behalf of participating state lotteries. MUSL is currently comprised of 33 member state lotteries, including the District of Columbia and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Lotto America, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit. A copy of the audit may be obtained by writing to the Multi-State Lottery Association, 1701-48th Street, Suite 210, West Des Moines, Iowa 50266-6723.

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended September 30, 2021 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,896,074	\$ 8,086,272
Lotta America	381,861	1,146,191
Mega Millions	1,457,552	3,893,471
Total	\$ 5,735,487	\$ 13,125,934

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,955,856	\$ 4,059,388
Lotta America	190,930	573,116
Mega Millions	728,785	1,946,792
Total	\$ 2,875,571	\$ 6,579,296

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

	<u>PowerBall</u>	<u>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	\$45,000,000

At September 30, 2021, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 116,045,159	\$ 1,417,359
Lotto America	4,690,180	353,556
Mega Millions	94,099,572	934,469
Total	\$ 214,834,911	\$ 2,705,384

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$19,282,318 at September 30, 2021, of which the Lottery's share was \$1,421,892.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 11 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 11.

Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise, amounts accumulated in the fund revert to the state excess lottery revenue fund.

A summary of racetrack video lottery revenues for the month ended September 30, 2021 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Total credits played	\$ 439,131	\$ 382,494	\$ 1,387,999	\$ 1,137,045
Credits (prizes) won	(394,487)	(343,898)	(1,245,449)	(1,020,761)
Promotional credits played	(6,675)	(5,751)	(21,105)	(16,491)
Gross terminal income	37,969	32,845	121,445	99,793
Administrative costs	(1,519)	(1,314)	(4,858)	(3,992)
Net Terminal Income	36,450	31,531	116,587	95,801
Less distribution to agents	(20,832)	(18,020)	(66,629)	(54,750)
Racetrack video lottery revenues	<u>\$ 15,618</u>	<u>\$ 13,511</u>	<u>\$ 49,958</u>	<u>\$ 41,051</u>

A summary of video lottery revenues paid or accrued for certain state funds to conform to the legislation as follows (in thousands):

	September 30, 2021	Year-to-Date
State Lottery Fund	\$ 10,935	\$ 34,976
State Excess Lottery Revenue Fund	4,683	14,982
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 15,618</u>	<u>\$ 49,958</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation

WEST VIRGINIA LOTTERY
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses.

A summary of limited video lottery revenues for the month ended September 30, 2021 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Total credits played	\$ 512,846	\$ 476,020	\$ 1,580,306	\$ 1,481,121
Credits (prizes) won	(473,386)	(439,198)	(1,458,045)	(1,366,262)
Gross terminal income	\$ 39,460	\$ 36,822	\$ 122,261	\$ 114,859
Administrative costs	(789)	(736)	(2,445)	(2,297)
Gross Profit	38,671	36,086	119,816	112,562
Commissions	(19,336)	(18,043)	(59,908)	(56,281)
Municipalities and Counties	(773)	(722)	(2,396)	(2,251)
Limited video lottery revenues	<u>\$ 18,562</u>	<u>\$ 17,321</u>	<u>\$ 57,512</u>	<u>\$ 54,030</u>

NOTE 8 – TABLE GAMES

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located. Transfer three percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – TABLE GAMES (continued)

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Excess Lottery Revenue Fund.

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 11- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended September 30, 2021 were \$7,974,999 and \$25,619,510, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Table Games Privilege Tax	\$ 2,791	\$ 1,968	\$ 8,967	\$ 5,824
Interest on Table Games Fund	-	-	1	2
Administrative costs	(239)	(169)	(769)	(499)
Total Available for Distribution	2,552	1,799	8,199	5,327
<u>Less Distributions:</u>				
Racetrack Purse Funds	179	126	577	374
Thoroughbred & Greyhound Development Funds	144	101	461	300
Racing Association Pension Plan	70	50	226	147
Municipalities/ Counties	790	557	2,536	1,647
Total Distributions	1,183	834	3,800	2,468
Excess Lottery Fund	\$ 1,369	\$ 965	\$ 4,399	\$ 2,859

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL

In 2009, the Legislature passed Senate Bill 575 which permits video lottery and table games at a licensed historic resort hotel which is defined as “a resort hotel registered with the United States Department of the Interior as a national historic landmark in its National Registry of Historic Places having not fewer than five hundred guest rooms under common ownership and having substantial recreational guest amenities in addition to the gaming facility.”

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the historic resort hotel.

A summary of historic resort hotel video lottery revenues for the month ended September 30, 2021 and fiscal year-to-date follows (in thousands):

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total credits played	\$ 6,173	\$ 9,679	\$ 21,759	\$ 26,943
Credits (prizes) won	(5,846)	(9,000)	(20,064)	(24,977)
Promotional credits played	(50)	(105)	(234)	(401)
Gross terminal income	277	574	1,461	1,565
Capital reinvestment	(13)	(27)	(69)	(73)
Excess Lottery Fund	(2)	(5)	(13)	(14)
Administrative costs	(15)	(31)	(79)	(85)
Hotel commissions	(117)	(243)	(618)	(662)
Net terminal income	130	268	682	731
Historic Resort Hotel Fund	83	171	434	465
Human Resource Benefit Fund	47	97	248	266

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended September 30, 2021 were \$1,029,144 and \$2,666,164 respectively.

The following table shows the month and fiscal year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Table games privilege tax	\$ 360	\$ (24)	\$ 933	\$ 697
Administrative Costs	(46)	3	(120)	(90)
Total Available for Distribution	314	(21)	813	607
Historic Resort Hotel Fund	262	(18)	680	508
Human Resource Benefit Fund	52	(3)	133	99

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

- 1) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 83	\$ 434
Historic Resort Table Games	262	680
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	345	1,114
Municipalities/ Counties	48	156
Excess Lottery Fund	297	958
Total Distributions	<u>\$ 345</u>	<u>\$ 1,114</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 10– SPORTS WAGERING

Sports Wagering legislation passed in 2018 per Senate Bill 415. Each racetrack and historic resort hotel licensee is subject to a privilege tax of ten percent (10%) of adjusted gross wagering receipts which will be deposited weekly into the Sports Wagering Fund.

From the privilege tax deposited into the Sports Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

After the reduction for administrative expenses, the net profit shall be deposited into the State Lottery Fund until a total of \$15 million is deposited. The remainder of net profit shall be deposited into the Public Employees Insurance Agency Financial Stability Fund.

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended September 30, 2021 were \$5,411,760 and \$10,210,699, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Sports Wagering Privilege Tax	\$ 541	\$ 376	\$ 1,021	\$ 735
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(81)	(56)	(153)	(110)
Total Available for Distribution	460	320	868	625

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11– INTERACTIVE WAGERING

Interactive Wagering legislation passed in 2019 per House Bill 2934. Each racetrack and historic resort hotel licensee is subject to a privilege tax of fifteen percent (15%) of adjusted gross interactive gaming receipts which will be deposited weekly into the Interactive Wagering Fund.

From the privilege tax deposited into the Interactive Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

In each fiscal year, the Lottery Commission shall deposit one-quarter of a percent of the net profit into each of the four special funds established by the Racing Commission, pursuant to §29-22A-10 and §29-22C-27 to be used for payment into the pension plan for the employees of the licensed racing associations in this state.

After the reduction for administrative expenses and the pension plans for the racing associations, the net profit shall be deposited into the State Lottery Fund.

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended September 30, 2021 were \$5,049,195 and \$15,348,539 respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Interactive Wagering Privilege Tax	\$ 757	\$ 230	\$ 2,302	\$ 409
Interest on Interactive Wagering Fund	-	-	-	-
Administrative Costs	(114)	(34)	(345)	(61)
Total Available for Distribution	643	196	1,957	348

A summary of Interactive Gaming Fund related distributions is as follows (in thousands):

	Current Month	Year-to-Date
Pensions	6	19
Lottery Fund	637	1,938
Total Distributions	\$ 643	\$ 1,957

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 12- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2022 the State Legislature budgeted \$125,422,650 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$6,539,201 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended September 30, 2021 the Lottery has accrued additional distributions of \$134,868,923. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

A summary of the cash distributions made to certain state agencies to conform to the legislation follows (in thousands):

<u>BUDGETARY DISTRIBUTIONS</u>	<u>September 30, 2021</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 1,498
Bureau of Senior Services	5,552	46,660
Department of Education	1,777	9,574
Library Commission	1,425	7,678
Higher Education-Policy Commission	899	4,844
Tourism	833	4,489
General Revenue		
Natural Resources	426	2,296
Division of Culture & History	528	2,842
Economic Development Authority	1,000	2,999
School Building Authority	1,800	5,400
Total State Lottery Fund	<u>\$ 14,739</u>	<u>\$ 88,280</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,102	\$ 6,306
Higher Education Improvement Fund	1,500	4,500
General Purpose Account	6,518	13,288
Higher Education Improvement Fund	2,908	5,928
State Park Improvement Fund	151	307
School Building Authority	1,899	5,696
Refundable Credit		181
WV Racing Commission	200	1,208
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Division of Human Services		17,000
WV Lottery Statutory Transfers	6,120	12,474
Economic Development Authority	439	1,318
General Revenue Fund		
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	4,612	9,978
Total State Excess Lottery Revenue Fund	<u>\$ 26,449</u>	<u>\$ 78,184</u>
Total Budgetary distributions:	<u>\$ 41,188</u>	<u>\$ 166,464</u>
Veterans Instant Ticket Fund	\$ 68	\$ 188
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 41,256	\$ 166,652
Accrued nonoperating distributions, beginning	(133,103)	(166,942)
Accrued nonoperating distributions, end	<u>134,869</u>	<u>134,869</u>
	<u>\$ 43,022</u>	<u>\$ 134,579</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended September 30, 2021 and September 30, 2020 approximated \$58,691 and \$36,115 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended September 30, 2021 and September 30, 2020 approximated \$255,483 and \$263,238 respectively.

NOTE 14 – COMMITMENTS

For the years ended June 30, 2021 and 2020 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2021 and 2020, \$7,612,621 and \$8,073,287, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 15 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Ave. S.E., Charleston, West Virginia 25304-1636.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement.

Covered employees hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 13.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending September 30, 2021 and fiscal year-to-date are as follows (in thousands):

	September 30, 2021	Year-to-Date
Employee contributions	\$ 30	\$ 110
Lottery contributions	63	230
Total contributions	\$ 93	\$ 340

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
 LOTTERY FUND AND EXCESS LOTTERY FUND
 FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	13,743	7,500	43,036	22,500
On-line games	7,700	5,033	19,101	15,099
Racetrack video lottery	37,969	36,704	121,445	117,673
Limited video lottery	39,460	29,041	122,261	85,206
Racetrack table games	2,791	2,351	8,967	7,504
Historic resort	637	406	2,394	1,201
Sports wagering	541	209	1,021	625
Interactive wagering	757	-	2,302	-
Total gross revenues	103,598	81,244	320,527	249,808
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,455	871	4,530	2,612
On-line games	1,883	1,444	4,586	4,333
Racetrack Video Lottery	10,936	10,571	34,981	33,890
Sports wagering	460	177	868	531
Interactive wagering	637	-	1,938	-
Total Lottery Fund net revenues	15,371	13,063	46,903	41,366
Excess Lottery Fund				
Racetrack Video Lottery	4,684	4,526	14,983	14,515
Limited Video Lottery	18,542	13,661	57,568	40,081
Limited Video Lottery Fees	238	-	1,055	-
Racetrack table games	1,369	1,153	4,399	3,680
Historic resort	299	157	971	462
Total Excess Lottery Fund Net Revenues	25,132	19,497	78,976	58,738
Total Net Revenues	40,503	32,560	125,879	100,104

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

304-347-4870

Memorandum

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: William Spencer, C.P.A., Director, Budget Division
Legislative Auditor's Office

Date: October 04, 2021

Re: Status of General Revenue Fund and State Road Fund as of
September 30, 2021 (FY 22)

We have read the cash flow of the West Virginia general revenue fund as of September 30, 2021 which is the third month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 114% of the estimate for the fiscal year. Total collections were \$142.7 million above the estimate for the fiscal year.

Personal Income Tax collections were \$49.7 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$20.9 million above the estimate for the year.

Severance Tax was \$33 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$33.8 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 99% of the estimate for the fiscal year. Total collections were \$2.6 million below the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$463,950,186.20 as of September 30, 2021.

Balance July 1, 2021	\$441,663,052.88
*Loan-General Revenue Fund 7-1-21	(68,500,000.00)
Loan payback 9-17-21	68,500,000.00
Fiscal year 21 Surplus	15,401,416.45
6-24-21 Special Session appropriation	50,000,000.00
Earnings/(Loss)	(43,114,283.13)
Balance September 30, 2021	\$463,950,186.20

*\$68.5 million loan to state General Revenue Fund 7/1/2021 for beginning of the year cash flow, to be repaid within 90 days. Loan was repaid 9-17-21.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$565,574,307.03 as of September 30, 2021.

Balance July 1, 2021	\$553,481,351.13
Earnings	12,092,955.90
Balance September 30, 2021	\$565,574,307.03

The **Personal Income Tax Reserve** Fund had a \$11,000,000.00 cash balance as of September 30, 2021.

Balance July 1, 2021	\$11,000,000.00
Balance September 30, 2021	\$11,000,000.00

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
SEPTEMBER 2020 vs SEPTEMBER 2021**

GENERAL REVENUE FUND

	Actual Collections September 2020	Actual Collections September 2021	Actual Collections 3 Months Jul-Sept 2020	Actual Collections 3 Months Jul-Sept 2021	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 193,982,000	\$ 216,450,613	\$ 614,486,000	\$ 512,725,312	\$ (101,760,688)	-17%
Consumer Sales Tax & Use Tax	129,313,000	139,076,101	350,728,000	370,028,466	19,300,466	6%
Severance Tax	18,572,000	47,473,500	22,614,000	96,806,036	74,192,036	328%
Corporate Net Income Tax	38,385,000	61,588,826	105,768,000	75,281,109	(30,486,891)	-29%
Insurance Tax	(172,000)	446,135	27,754,000	30,432,979	2,678,979	10%
Tobacco Products Tax	15,574,000	14,883,639	45,028,000	43,880,906	(1,147,094)	-3%
Business and Occupation	10,467,000	8,974,329	31,669,000	26,428,649	(5,240,351)	-17%
Liquor Profit Transfers	2,085,000	2,020,618	6,055,000	6,686,812	631,812	10%
Departmental Collections	1,713,000	1,368,954	4,178,000	4,481,664	303,664	7%
Property Transfer Tax	1,370,000	1,513,091	3,852,000	5,234,296	1,382,296	36%
Property Tax	2,289,000	2,822,991	3,014,000	3,169,143	155,143	5%
Beer Tax and Licenses	675,000	622,946	2,179,000	1,961,412	(217,588)	-10%
Miscellaneous Transfers	0	14,013	80,000	728,469	648,469	811%
Interest Income	1,326,000	346,637	6,499,000	1,307,023	(5,191,977)	-80%
Refundable Credit Reimb Liability	-	-	865,000	180,618	(684,382.00)	0%
HB 102 - Lottery Transfers	5,866,000	6,518,424	11,351,000	13,287,824	1,936,824.14	0%
Miscellaneous	2,089,000	213,748	2,489,000	549,558	(1,939,442)	-78%
Business Franchise Fees	40,000	107,258	167,000	319,021	152,021	91%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	46,000	45,151	167,000	191,569	24,569	0%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	-	526	5,000	(1,066)	(6,066)	-121%
Video Lottery Transfers	0	-	41,000	-	(41,000)	-100%
July-Dec Retro Rev Adj	-	32,202	-	95,580	95,580.48	0%
Cash Flow Transfer	-	(68,500,000)	-	-	-	0%
SUBTOTALS	\$ 423,620,000	\$ 436,019,705	\$ 1,238,989,000	\$ 1,193,775,380	\$ (45,213,620)	
Less: Cash Flow Transfer	-	(68,500,000)	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 423,620,000	\$ 504,519,705	\$ 1,238,989,000	\$ 1,193,775,380	\$ (45,213,620)	
 Increase/Decrease over Prior Period		\$ 80,899,705		\$ (45,213,620)		
 % Increase/Decrease over Prior Period		19%		-4%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
October 04, 2021

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2022
as of September 30, 2021**

GENERAL REVENUE FUND

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 186,400,000	\$ 216,450,613	\$ 30,050,613	\$ 463,000,000	\$ 512,725,312	\$ 49,725,312	111%
Consumer Sales Tax & Use Tax	126,400,000	139,076,101	12,676,101	349,100,000	370,028,466	20,928,466	106%
Severance Tax	34,400,000	47,473,500	13,073,500	63,800,000	96,806,036	33,006,036	152%
Corporate Net Income Tax	33,000,000	61,588,826	28,588,826	41,500,000	75,281,109	33,781,109	181%
Insurance Tax	500,000	446,135	(53,865)	26,820,000	30,432,979	3,612,979	113%
Tobacco Products Tax	13,100,000	14,883,639	1,783,639	43,200,000	43,880,906	680,906	102%
Business and Occupation	8,700,000	8,974,329	274,329	28,000,000	26,428,649	(1,571,351)	94%
Liquor Profit Transfers	2,000,000	2,020,618	20,618	6,000,000	6,686,812	686,812	111%
Departmental Collections	1,700,000	1,368,954	(331,046)	4,140,000	4,481,664	341,664	108%
Property Transfer Tax	1,200,000	1,513,091	313,091	3,800,000	5,234,296	1,434,296	138%
Property Tax	2,380,000	2,822,991	442,991	2,890,000	3,169,143	279,143	110%
Beer Tax and Licenses	660,000	622,946	(37,054)	2,020,000	1,961,412	(58,588)	97%
Miscellaneous Transfers	1,000,000	14,013	(985,987)	1,140,000	728,469	(411,531)	64%
Interest Income	450,000	346,637	(103,363)	1,300,000	1,307,023	7,023	101%
Refundable Credit Reimb Liability	-	-	-	300,000	180,618	(119,382)	0%
HB 102 - Lottery Transfers	5,800,000	6,518,424	718,424	11,300,000	13,287,824	1,987,824	0%
Miscellaneous	2,100,000	213,748	(1,886,252)	2,450,000	549,558	(1,900,442)	22%
Business Franchise Fees	43,000	107,258	64,258	163,000	319,021	156,021	196%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	45,000	45,151	151	191,000	191,569	569	100%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	526	526	-	(1,066)	(1,066)	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	32,202	32,202	-	95,580	95,580	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	(68,500,000)	-	-	-	-	0%
SUBTOTALS	\$ 419,878,000	\$ 436,019,705	\$ 84,641,705	\$ 1,051,114,000	\$ 1,193,775,380	\$ 142,661,380	
Less: Cash Flow Transfer	-	(68,500,000)	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
TOTALS	\$ 419,878,000	\$ 504,519,705	\$ 84,641,705	\$ 1,051,114,000	\$ 1,193,775,380	\$ 142,661,380	
Percent of Estimates		120%			114%		
Collections this day		\$ 25,331,627					

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 2021

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2022
as of September 30, 2021**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 32,000,000	\$ 35,712,112	\$ 3,712,112	\$ 106,000,000	\$ 109,471,418	\$ 3,471,418	103%
Sales/Privilege Tax	21,019,000	28,937,902	7,918,902	68,779,000	84,996,010	16,217,010	124%
Licenses & Registration	11,737,000	10,431,974	(1,305,026)	46,867,000	38,675,965	(8,191,035)	83%
Miscellaneous	3,000,000	1,504,617	(1,495,383)	17,000,000	2,843,818	(14,156,182)	17%
Highway Litter Control	87,000	183,473	96,473	421,000	496,786	75,786	118%
Federal Reimbursement	65,000,000	52,647,760	(12,352,240)	164,000,000	147,892,235	(16,107,765)	90%
SUBTOTALS	\$ 132,843,000	\$ 129,417,838	\$ (3,425,162)	\$ 403,067,000	\$ 384,376,232	\$ (18,690,768)	
Less: Federal Reimbursement	65,000,000	52,647,760	(12,352,240)	164,000,000	147,892,235	(16,107,765)	
TOTALS	\$ 67,843,000	\$ 76,770,078	\$ 8,927,078	\$ 239,067,000	\$ 236,483,997	\$ (2,583,003)	

Percent of Estimates

113%

99%

Collections this day

\$ 8,619,067

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of September 30, 2021 : \$ 463,950,186.20

\$68.5 million loan to General Revenue fund 7/1/21 for beginning of the year cash flow, to be repaid within 90 days.

Loan was repaid 9-17-21

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of September 30, 2021: \$ 565,574,307.03

SPECIAL INCOME TAX REFUND RESERVE FUND as of September 30, 2021: \$11,000,000.00

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 2021

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
SEPTEMBER 2020 vs SEPTEMBER 2021**

STATE ROAD FUND

	Actual Collections September 2020	Actual Collections September 2021	Actual Collections 3 Months Jul-Sept 2020	Actual Collections 3 Months Jul-Sept 2021	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 30,722,000	\$ 35,712,112	\$ 104,585,381	\$ 109,471,418	\$ 4,886,037	5%
Privilege Tax	32,196,000	28,937,902	82,207,854	84,996,010	2,788,156	3%
Licenses & Registration	11,591,000	10,431,974	38,496,125	38,675,965	179,840	0%
Miscellaneous	256,000	1,504,617	834,000	2,843,818	2,009,818	241%
Highway Litter Control	128,000	183,473	578,941	496,786	(82,156)	-14%
Federal Reimbursement	37,381,718	52,647,760	99,441,017	147,892,235	48,451,218	49%
SUBTOTALS	\$ 112,274,718	\$ 129,417,838	\$ 326,143,317	\$ 384,376,232	\$ 58,232,915	
Less: Federal Reimbursement	37,381,718	52,647,760	99,441,017	147,892,235	48,451,218	
TOTALS	\$ 74,893,000	\$ 76,770,078	\$ 226,702,300	\$ 236,483,997	\$ 9,781,696	
 Increase/Decrease over Prior Period		\$ 1,877,078		\$ 9,781,696		
 % Increase/Decrease over Prior Period		3%		4%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
October 05, 2021

Office of the Legislative Auditor



Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590
304-347-4870

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: William Spencer, C.P.A.
Director Budget Division
Legislative Auditor's Office

Date: October 20, 2021

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the September 30, 2021 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of September, 2021 of fiscal year 2021-2022, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2021	\$ 79,633,106.11
Receipts July 1,2021 thru September 30, 2022	\$ 713,910,389.18
Disbursements July 1, 2021 thru September 30, 2022	\$ 476,509,881.89
Balance September 30, 2021	\$ 317,033,613.40

ITEMS OF NOTE:

Regular benefits paid for July-September 2021 were \$ 55 million more than July-September 2020.

Federal emergency benefits totaled negative \$125.00 for July-September 2021. For July-September 2020, federal emergency benefits totaled negative \$2,280.

Total disbursements were \$184 million less in July-September 2021 than the preceding July-September 2020.

Receipts as of July-September 2021, were \$31.6 million more than in July-September 2020. Overall ending trust fund balance was \$329.6 million higher on September 30, 2021 than on September, 2020.

Seasonally adjusted unemployment rates for September 2021 were 4.6 percent for West Virginia and 4.8 percent nationally.

Since September 2020, employment has increased by 20,200. Employment increases included 3,100 in government, 5,900 in leisure and hospitality, 800 in educational and health services, 100 in other services, 3,000 in construction, 1,500 in manufacturing, 2,900 in professional and business services, 1,300 in trade, transportation, and utilities, 200 in financial activities, and 1,600 in mining and logging. Information employment declined 200 over the year.

October 18, 2021

William Spencer Budget Division
Office of the Legislative Auditor
Building 1, Room 332-West Wing
1900 Kanawha Boulevard East
Charleston, WV 25305-0590

RE: Monthly Status Report Dear Mr. Spencer:

Please Find attached, the Monthly Status Report for the Joint Committee on Government and Finance, Unemployment Compensation Trust Fund for the month of September 2021. If you have any question or need any additional information, please feel free to contact Jeff Perkins at 304-558-2631 or Jeff.S.Perkins@wv.gov.

Sincerely,



Scott Adkins

Acting Commissioner

SSA/smd Enclosure

pc: Jim Justice

1900 Kanawha Blvd. East * Building 3 Suite 300 * Charleston, WV 25305

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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING JULY 2020 AND JULY 2021**

	JULY 2020	AUGUST 2020	SEPTEMBER 2020	JULY 2021	AUGUST 2021	SEPTEMBER 2021	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$8,609,486.86	\$25,553,537.54	\$25,553,537.54	\$79,633,106.11	\$88,903,495.62	\$102,028,153.60	\$210,848,193.37	
Add Receipts:								
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1. Bond Assessment
2. Regular Contributions:	\$23,518,031.08	\$18,529,347.28	\$18,529,347.28	\$14,687,138.52	\$208,051,492.59	\$1,998,882.59	\$164,160,788.06	2. Regular Contributions:
3. Federal Emergency Benefits (FEUC)	\$5,665,936.42	\$7,160,173.99	\$7,160,173.99	\$818,411.01	\$322,607.49	\$321,778.23	(\$18,523,487.67)	3. Federal Emergency Benefits (FEUC)
4. Federal Share Extended Benefits (EB)	\$564,151.92	\$1,798,459.42	\$1,798,459.42	\$19,505.96	\$1,123.00	\$42,036.71	(\$4,098,405.09)	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	\$186,861,302.76	\$25,473,577.35	\$25,473,577.35	\$3,823,584.98	\$1,903,099.75	\$1,718,102.64	(\$230,363,670.09)	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	\$7,636,210.00	\$7,398,963.00	\$7,398,963.00	\$380,597.50	\$213,659.00	\$210,549.00	(\$21,629,330.50)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	\$84,113.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$84,113.57)	7. UCFE (Federal Agencies)
8. TSFR From Non-Invsld FUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	8. TSFR From Non-Invsld FUA
9. EUISAA	\$2,834,200.00	\$1,658,500.00	\$1,658,500.00	\$4,592,248.85	\$360,042.36	\$473,469.00	(\$725,439.79)	9. EUISAA
11. Treasury Interest Credits	\$0.00	\$0.00	\$0.00	(\$376,790.10)	\$0.00	\$583,614.11	\$206,824.01	11. Treasury Interest Credits
12. UCX (Military Agencies)	\$135,308.77	\$99,458.53	\$99,458.53	\$27,883.22	\$42,051.61	\$31,124.13	(\$233,166.87)	12. UCX (Military Agencies)
13. Temporary Compensation	\$7,444,606.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$7,444,606.35)	13. Temporary Compensation
15. Reed Act	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$220,559,606.30	\$220,559,606.30	15. Reed Act
16. UI Modernization	\$0.00	\$128,225.18	\$128,225.18	\$115,175.24	\$103,756.35	\$92,270.78	\$54,752.01	16. UI Modernization
17. Loan Advance	\$35,486,925.41	\$19,800,353.13	\$19,800,353.13	\$0.00	\$0.00	\$0.00	(\$75,087,631.67)	17. Loan Advance
Total Monthly Receipts	\$347,834,171.76	\$167,261,669.59	\$167,261,669.59	\$47,555,707.57	\$429,831,829.61	\$236,522,852.00	\$26,792,118.78	Total Monthly Receipts
Less Disbursements:								
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$53,609,317.26	\$52,799,022.43	\$52,799,022.43	\$9,884,075.15	\$195,397,989.47	\$8,765,352.20	\$107,059,900.78	Regular Benefits:
Federal Emergency Compensation - FEUC	\$5,637,518.98	\$7,402,177.20	\$7,402,177.20	\$765,337.01	\$303,375.37	\$173,063.31	(\$13,718,482.50)	FEUC
Federal Additional Compensation - FPUC	\$184,676,295.78	\$42,643,629.54	\$42,643,629.54	\$3,626,482.24	\$1,844,125.83	\$1,486,197.16	(\$220,363,120.09)	FPUC
Pandemic Unemployment Assistance PUA	\$7,441,125.00	\$15,110,048.00	\$15,110,048.00	\$379,480.50	\$176,974.00	\$200,694.00	(\$21,794,024.50)	PUA
Federal Emergency Benefits (EUC08)	(\$830.00)	(\$725.00)	(\$725.00)	\$0.00	(\$25.00)	(\$100.00)	(\$100,514.06)	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	\$577,367.17	\$1,920,562.01	\$1,920,562.01	\$19,505.96	\$1,633.00	(\$20,341.00)	(\$2,497,131.22)	Federal Extended - 2112
Emergency Benefits (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$22,884.11)	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	\$86,268.06	\$101,944.06	\$101,944.06	\$112,169.77	\$105,795.86	\$94,449.79	\$124,203.30	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	\$136,734.12	\$128,030.95	\$128,030.95	\$30,315.04	\$43,305.64	\$39,270.27	(\$205,575,789.48)	UCX (Military Workers) Benefits
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Reed Act Funds
EUISAA Title IX	\$1,122,939.23	\$104,614.45	\$104,614.45	\$0.00	\$0.00	\$287,387.96	\$11,668,542.50	EUISAA Title IX
Total Monthly Disbursements	\$330,890,121.08	\$205,423,915.35	\$205,423,915.35	\$38,285,318.06	\$416,707,171.63	\$21,517,392.20	(\$345,219,299.38)	Total Monthly Disbursements
Trust Fund Balance	\$25,553,537.54	(\$12,608,708.22)	(\$12,608,708.22)	\$88,903,495.62	\$102,028,153.60	\$317,033,613.40	\$582,859,611.53	Trust Fund Balance

* Three month total variance column is the difference between the sum of the previous year's three months data for each category and the current year's three months data. The purpose of the report is to show significant changes in receipts, disbursements, or balances.

**Note: UI Trust Fund Balance includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016	38,000,000.00
Repaid on 5/17/2016	(38,000,000.00)
Borrowed on 12/5/2016	50,000,000.00
Repaid on 5/4/2017	(50,000,000.00)
Outstanding Loan from Revenue Shortfall Reserve Fund	\$0.00

**Note: Reed Act funds of \$549,488.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.

UC TRUST FUND ACTUAL – 2021

Month	Receipts	Disbursements	Trust Fund Balance
2020			
Balance 1/1/2020			\$ 191,802,022
January	\$ 14,847,151	\$ 26,915,654	\$ 179,733,519
February	\$ 7,317,928	\$ 25,997,514	\$ 161,053,933
March	\$ 2,375,894	\$ 29,333,537	\$ 134,096,290
April	\$ 254,628,576	\$ 280,291,428	\$ 108,433,438
May	\$ 501,990,833	\$ 609,424,785	\$ 999,486
June	\$ 407,289,482	\$ 399,999,484	\$ 8,289,484
July	\$ 310,154,605	\$ 293,185,225	\$ 25,258,864
August	\$ 128,416,645	\$ 165,111,304	\$ (11,435,795)
September	\$ 99,198,241	\$ 71,775,296	\$ 15,987,150
October	\$ 72,249,659	\$ 65,457,768	\$ 22,779,041
November	\$ 90,121,076	\$ 92,585,739	\$ 20,314,378
December	\$ 53,179,447	\$ 49,949,488	\$ 23,544,337
Totals - 2020	\$ 1,941,769,538	\$ 2,110,027,223	\$ 23,544,337
2021			
January	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373
February	\$ 133,688,137	\$ 138,034,358	\$ 5,649,152
March	\$ 115,410,886	\$ 104,337,623	\$ 16,722,416
April	\$ 218,662,207	\$ 168,209,884	\$ 67,174,738
May	\$ 158,261,915	\$ 149,664,548	\$ 79,937,020
June	\$ 97,054,348	\$ 98,146,445	\$ 78,844,923
July	\$ 47,555,707	\$ 38,271,882	\$ 88,128,748
August	\$ 429,831,829	\$ 416,716,670	\$ 102,018,654
September	\$ 236,522,852	\$ 21,517,392	\$ 317,033,613
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2021	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373

Benefits and Technical Support Section • Unemployment Compensation Division
 1900 Kanawha Blvd., East • Building 3, Room 300 • Charleston, West Virginia 25305
 Telephone: (304) 558-3309 • Fax: (304) 558-3252

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MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE

YEAR 2021

	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	
Balance Forward	<u>\$20,965,535.65</u>	<u>\$10,551,839.17</u>	<u>\$8,162,192.32</u>	<u>\$21,856,122.56</u>	<u>\$72,188,369.18</u>	<u>\$81,255,285.26</u>	<u>\$79,633,106.11</u>	<u>\$88,903,495.62</u>	<u>\$102,028,153.60</u>	
Add Receipts:										
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1. Bond Assessment
2. Regular Contributions:	\$6,739,492.94	\$17,141,683.89	\$1,362,765.38	\$62,240,702.52	\$31,623,240.36	\$3,504,643.73	\$14,687,138.52	\$208,051,492.59	\$1,998,882.59	2. Regular Contributions:
3. Federal Emergency Benefits PEUC Draws										3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	\$17,851,426.46	\$20,319,106.52	\$23,641,692.48	\$16,415,532.45	\$16,008,315.41	\$15,217,079.51	\$818,411.01	\$322,607.49	\$321,778.23	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	\$244,099.98	\$102,849.02	\$77,072.00	\$17,300.00	\$41,251.94	\$34,718.00	\$19,505.96	\$1,123.00	\$42,036.71	5. Temp Federal Additional Comp (FPUC)
6. Pandemic Unemployment Assistance PUA	\$48,952,491.97	\$57,935,377.43	\$63,020,788.03	\$43,897,607.10	\$41,092,344.60	\$39,326,626.53	\$3,823,584.98	\$1,903,099.75	\$1,718,102.64	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	\$4,977,564.00	\$4,837,291.00	\$5,064,117.00	\$4,208,136.00	\$3,782,873.29	\$3,712,629.43	\$380,597.50	\$213,659.00	\$210,549.00	7. UCFE (Federal Agencies)
8. Title IX or Special Legislation EUISAA Deposit:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	8. EUISAA & EMER US RELIEF
9. LOAN Advance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	9. LOAN Advance
10. Treasury Interest Credits	\$25,331.36	\$26,002.58	\$14,436.52	\$54,761.97	\$21,011.87	\$13,574.72	\$15,625.82	\$26,689.78	\$26,519.59	10. Treasury Interest Credits
11. UCX (Military Agencies)	\$0.00	\$0.00	\$130,969.17	(\$130,969.17)	\$0.00	\$376,790.10	(\$376,790.10)	\$0.00	\$583,614.11	11. UCX (Military Agencies)
12. Temporary Federal Compensation	\$60,780.93	\$101,058.68	\$241,379.30	\$62,620.25	\$34,033.89	\$35,297.83	\$27,883.22	\$42,051.61	\$31,124.13	12. Temporary Federal Compensation
13. TSFR From Non-Invstd FUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	13. TSFR From Non-Invstd FUA
14. BT to State UI Account	\$49,968,620.92	\$62,222,952.11	\$50,737,220.57	\$91,369,988.00	\$65,552,644.95	\$33,980,849.45	\$23,452,326.57	\$218,807,307.68	\$10,464,898.92	14. BT to State UI Account
15. Reed Act Funds	\$156,560.00	\$234,130.99	\$376,989.57	\$173,018.05	\$106,198.93	\$147,513.37	\$115,175.24	\$103,756.35	\$92,270.78	15. Reed Act Funds
16. UI Modernization	\$16,632,248.54	\$1,266,565.96	\$19,157,152.41	\$2,735,001.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	16. Reed Act Funds
17. Loan Advance										
Total Monthly Receipts	<u>\$154,159,645.10</u>	<u>\$167,203,217.18</u>	<u>\$166,656,349.61</u>	<u>\$221,220,453.78</u>	<u>\$158,261,915.24</u>	<u>\$95,153,512.60</u>	<u>\$47,555,707.57</u>	<u>\$429,831,829.61</u>	<u>\$236,522,852.00</u>	Total Monthly Receipts
Less Disbursements:										
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	31,289,856.41	23,702,483.89	\$19,824,113.68	\$14,743,509.59	\$13,649,799.91	\$13,349,405.45	\$9,884,075.15	\$195,407,488.47	\$8,765,352.20	Regular Benefits:
Federal Emergency Compensation - PEUC	\$21,279,571.42	\$20,428,408.94	\$20,293,999.94	\$16,423,541.76	\$19,046,721.48	\$12,123,301.01	\$765,337.01	\$303,375.37	\$173,063.31	Federal Emergency Compensation - PEUC
Federal Additional Compensation - FPUC	\$56,453,136.20	\$58,013,641.47	\$56,158,095.92	\$43,571,024.41	\$46,929,595.76	\$33,393,658.61	\$3,626,482.24	\$1,844,125.83	\$1,486,197.16	Federal Additional Compensation - FPUC
Pandemic Unemployment Assistance PUA	\$4,976,993.00	\$4,825,991.00	\$5,168,467.00	\$4,087,643.00	\$3,792,191.29	\$3,716,689.43	\$379,480.50	\$176,974.00	\$200,694.00	Pandemic Unemployment Assistance PUA
Federal Emergency Benefits (EUC08)	(\$498.00)	\$0.00	\$0.00	(\$240.00)	\$0.00	(\$30.00)	\$0.00	(\$25.00)	(\$100.00)	Federal Emergency Benefits (EUC08)
Federal Extended - EB	\$260,589.98	\$92,942.02	\$71,984.00	\$20,268.00	\$39,979.94	\$33,022.00	\$19,505.96	\$1,633.00	(\$20,341.00)	Federal Extended - 2112
Emergency Benefits (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	\$212,202.00	\$208,411.26	\$350,438.95	\$170,283.65	\$124,204.90	\$132,158.27	\$112,169.77	\$105,795.86	\$94,449.79	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	\$107,538.29	\$72,030.76	\$232,154.43	\$57,156.36	\$38,849.06	\$33,062.81	\$30,315.04	\$43,305.64	\$39,270.27	UCX (Military Workers) Benefits
Title IX Funds- Special Legislation EUISAA										Title IX Funds- Special Legislation EUISAA Withdrawal
Withdrawals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Temp Fed Comp
Temporary Federal Compensation	\$0.00	\$0.00	\$111,508.36	\$390,270.42	\$0.00	\$0.00	\$0.00	\$0.00	\$287,387.96	
Total Monthly Disbursements	<u>\$164,573,341.58</u>	<u>\$169,592,864.03</u>	<u>\$152,962,419.37</u>	<u>\$170,888,207.16</u>	<u>\$149,194,999.16</u>	<u>\$96,775,691.75</u>	<u>\$38,285,318.06</u>	<u>\$416,716,670.63</u>	<u>\$21,517,392.20</u>	Total Monthly Disbursements
Trust Fund Balance	<u>\$10,551,839.17</u>	<u>\$8,162,192.32</u>	<u>\$21,856,122.56</u>	<u>\$72,188,369.18</u>	<u>\$81,255,285.26</u>	<u>\$79,633,106.11</u>	<u>\$88,903,495.62</u>	<u>\$102,018,654.60</u>	<u>\$317,033,613.40</u>	Trust Fund Balance

FOR RELEASE: October 19, 2021
Contact: Andy Malinoski
Andy.E.Malinoski@wv.gov
304-957-9318

State Unemployment Rate Drops to 4.6 Percent in September

West Virginia's seasonally adjusted unemployment rate dropped two-tenths of a percentage point to 4.6 percent in September 2021, the lowest seasonally adjusted unemployment rate for the state since August 2008. The number of unemployed state residents decreased by 2,100 to 36,000. Total employment grew 1,200 over the month. The national unemployment rate declined four-tenths of a percentage point to 4.8 percent in September.

Total nonfarm payroll employment declined 800 in September, where a loss of 1,700 in the service-providing sector offset a gain of 900 in the goods-producing sector.

Within the goods-producing sector, employment gains of 700 in mining and logging and 700 in construction easily offset a decline of 500 in manufacturing. Within the service-providing sector, employment declines included 1,100 in education and health services, 500 in leisure and hospitality, 300 in financial activities, 200 in information, 200 in other services, 100 in professional and business services, and 100 in government.

Since September 2020, total nonfarm payroll employment has increased 20,200. Employment gains included 5,900 in leisure and hospitality, 3,100 in government, 3,000 in construction, 2,900 in professional and business services, 1,600 in mining and logging, 1,500 in manufacturing, 1,300 in trade, transportation, and utilities, 800 in education and health services, 200 in financial activities, and 100 in other services. Information employment declined 200 over the year.

West Virginia's not seasonally adjusted unemployment rate declined one percentage point to 3.2 percent, the lowest not seasonally adjusted unemployment rate on record for the state.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
September 2021

	Prelim. Sep 2021	Revised Aug 2021	Revised Sep 2020	Change from:	
				Aug 2021	Sep 2020
Civilian Labor Force	791.8	792.7	791.4	-0.9	0.4
Total Employment	755.8	754.6	729.1	1.2	26.7
Total Unemployment	36.0	38.1	62.3	-2.1	-26.3
Unemployment Rate	4.6	4.8	7.9	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	691.0	691.8	670.8	-0.8	20.2
Total Private	540.9	541.6	523.8	-0.7	17.1
Goods Producing	95.9	95.0	89.8	0.9	6.1
Mining and Logging	19.9	19.2	18.3	0.7	1.6
Construction	30.7	30.0	27.7	0.7	3.0
Manufacturing	45.3	45.8	43.8	-0.5	1.5
Durable Goods	26.8	27.3	25.2	-0.5	1.6
Non-Durable Goods	18.5	18.5	18.6	0.0	-0.1
Service-Providing	595.1	596.8	581.0	-1.7	14.1
Private Service-Providing	445.0	446.6	434.0	-1.6	11.0
Trade, Transportation, and Utilities	122.6	121.8	121.3	0.8	1.3
Wholesale Trade	19.2	19.1	19.1	0.1	0.1
Retail Trade	78.7	78.0	77.3	0.7	1.4
Transportation, Warehousing, and Utilities	24.7	24.7	24.9	0.0	-0.2
Information	7.0	7.2	7.2	-0.2	-0.2
Financial Activities	29.4	29.7	29.2	-0.3	0.2
Finance and Insurance	23.0	23.2	22.9	-0.2	0.1
Real Estate and Rental and Leasing	6.4	6.5	6.3	-0.1	0.1
Professional and Business Services	67.2	67.3	64.3	-0.1	2.9
Professional, Scientific & Technical Services	26.2	26.2	25.4	0.0	0.8
Administrative and Support and Waste Mgmt	33.3	33.4	31.3	-0.1	2.0
Educational and Health Service	128.6	129.7	127.8	-1.1	0.8
Educational Services	7.4	7.9	7.7	-0.5	-0.3
Health Care and Social Assistance	121.2	121.8	120.1	-0.6	1.1
Leisure and Hospitality	68.7	69.2	62.8	-0.5	5.9
Arts, Entertainment, and Recreation	8.2	8.5	7.4	-0.3	0.8
Accommodation and Food Service	60.5	60.7	55.4	-0.2	5.1
Other Services	21.5	21.7	21.4	-0.2	0.1
Government	150.1	150.2	147.0	-0.1	3.1
Federal Government	25.6	25.5	26.2	0.1	-0.6
State Government	47.2	48.2	46.7	-1.0	0.5
Local Government	77.3	76.5	74.1	0.8	3.2

**West Virginia Labor Force Statistics by Calendar Year
Seasonally Adjusted**

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	796,500	796,100	795,700	796,000	794,700	793,500	793,100	792,700	791,800				
Employment	744,900	746,400	748,400	750,100	750,900	751,500	753,100	754,600	755,800				
Unemployment Rate	6.5	6.2	5.9	5.8	5.5	5.3	5.0	4.8	4.6				
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	805,300	805,700	805,700	768,200	780,900	784,600	787,400	789,500	791,400	793,300	795,100	796,600	792,200
Employment	765,000	764,300	763,100	648,700	688,100	701,900	713,100	722,100	729,100	734,500	739,100	742,900	726,000
Unemployment Rate	5.0	5.1	5.3	15.6	11.9	10.5	9.4	8.5	7.9	7.4	7.0	6.7	8.3
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	795,100	794,500	794,000	794,100	795,000	796,500	798,300	800,000	801,600	803,000	803,900	804,700	798,300
Employment	755,000	755,000	755,200	755,900	757,000	758,300	759,500	760,600	761,800	763,300	764,500	765,000	759,000
Unemployment Rate	5.0	5.0	4.9	4.8	4.8	4.8	4.9	4.9	5.0	4.9	4.9	4.9	4.9
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,700	789,300	791,300	793,100	794,200	794,800	794,900	794,900	794,900	795,100	795,400	795,400	793,400
Employment	744,900	746,300	748,400	750,600	752,300	753,500	754,300	754,700	755,000	755,000	755,000	755,000	752,200
Unemployment Rate	5.4	5.4	5.4	5.4	5.3	5.2	5.1	5.0	5.0	5.0	5.1	5.1	5.2
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	781,300	780,800	780,600	780,800	781,500	782,700	784,200	785,500	786,300	786,700	786,800	787,000	783,800
Employment	738,900	739,800	740,600	741,200	742,100	743,000	743,900	744,500	744,800	744,800	744,500	744,400	742,700
Unemployment Rate	5.4	5.3	5.1	5.1	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.4	5.2
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	789,400	788,800	787,500	785,900	784,600	783,600	783,000	782,600	782,300	782,000	781,700	785,100
Employment	739,200	739,300	739,000	738,300	737,300	736,300	735,600	735,300	735,400	735,800	736,700	737,800	737,200
Unemployment Rate	6.4	6.3	6.3	6.2	6.2	6.2	6.1	6.1	6.0	5.9	5.8	5.6	6.1
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,800	793,600	793,800	794,000	794,000	793,300	792,000	790,400	789,000	788,300	788,300	788,800	791,500
Employment	742,900	741,800	740,900	740,200	739,800	739,300	738,700	738,200	737,900	737,900	738,200	738,700	739,500
Unemployment Rate	6.4	6.5	6.7	6.8	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.4	6.6
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,600	797,900	797,800	797,100	796,000	795,000	794,400	794,300	794,500	794,700	794,600	794,200	795,700
Employment	743,700	744,300	744,600	744,400	743,900	743,400	743,200	743,300	743,700	744,100	744,200	743,800	744,000
Unemployment Rate	6.7	6.7	6.7	6.6	6.5	6.5	6.4	6.4	6.4	6.4	6.3	6.4	6.5
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	804,800	802,800	801,200	800,300	799,900	799,700	799,500	798,900	798,000	797,100	796,800	797,000	799,500
Employment	747,900	747,100	746,600	746,800	747,100	747,200	746,900	746,200	745,100	744,100	743,400	743,300	745,800
Unemployment Rate	7.1	6.9	6.8	6.7	6.6	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	808,100	807,800	807,900	808,200	808,600	808,900	808,900	808,800	808,700	808,400	807,800	806,600	808,000
Employment	750,900	751,000	750,900	750,300	749,700	749,300	749,000	749,000	749,100	749,200	749,100	748,700	749,600
Unemployment Rate	7.1	7.0	7.1	7.2	7.3	7.4	7.4	7.4	7.4	7.3	7.3	7.2	7.2
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	807,800	806,800	805,500	804,300	803,500	803,500	804,500	806,100	807,700	808,800	809,100	808,700	806,600
Employment	739,700	739,900	740,100	740,100	740,100	740,600	741,800	743,600	745,700	747,700	749,400	750,400	743,300
Unemployment Rate	8.4	8.3	8.1	8.0	7.9	7.8	7.8	7.8	7.7	7.5	7.4	7.2	7.8
2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	807,700	809,100	810,200	810,800	811,100	811,000	810,700	810,500	810,300	809,900	809,400	808,700	810,100
Employment	735,300	737,000	738,800	740,500	741,700	742,400	742,300	741,700	740,900	740,100	739,700	739,600	739,900
Unemployment Rate	9.0	8.9	8.8	8.7	8.5	8.5	8.4	8.5	8.6	8.6	8.6	8.5	8.7

**West Virginia Labor Force Statistics by Calendar Year
Not Seasonally Adjusted**

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	783,500	790,200	783,200	792,500	790,300	802,600	800,100	795,000	790,300				
Employment	727,900	735,900	735,100	747,200	751,000	761,400	763,700	761,300	764,800				
Unemployment	55,600	54,300	48,000	45,300	39,300	41,100	36,400	33,700	25,500				
Rate	7.1	6.9	6.1	5.7	5.0	5.1	4.5	4.2	3.2				
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	799,700	805,200	795,000	763,200	786,800	795,500	794,000	793,800	794,300	794,000	792,100	792,600	792,200
Employment	754,500	758,800	745,800	644,300	690,200	715,000	718,700	728,000	736,800	743,800	740,500	735,800	726,000
Unemployment	45,200	46,300	49,200	118,900	96,600	80,500	75,300	65,800	57,500	50,100	51,600	56,700	66,100
Rate	5.6	5.8	6.2	15.6	12.3	10.1	9.5	8.3	7.2	6.3	6.5	7.2	8.3
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,100	792,300	785,700	790,000	794,600	809,400	806,400	804,400	803,700	807,300	799,000	797,600	798,300
Employment	740,700	744,300	742,600	754,600	758,800	768,500	767,300	765,000	770,600	772,000	763,100	760,400	759,000
Unemployment	48,400	48,000	43,100	35,300	35,800	41,000	39,100	39,400	33,100	35,300	35,900	37,200	39,300
Rate	6.1	6.1	5.5	4.5	4.5	5.1	4.9	4.9	4.1	4.4	4.5	4.7	4.9
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	778,500	788,200	783,400	791,100	795,600	808,400	804,000	795,400	795,900	800,100	791,200	789,600	793,400
Employment	730,800	736,500	735,500	749,200	756,900	764,200	762,700	756,100	762,100	765,100	756,600	751,400	752,200
Unemployment	47,700	51,700	47,900	42,000	38,700	44,300	41,300	39,300	33,800	35,000	34,600	38,200	41,200
Rate	6.1	6.6	6.1	5.3	4.9	5.5	5.1	4.9	4.3	4.4	4.4	4.8	5.2
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	774,400	778,300	774,000	780,800	779,800	794,700	791,000	789,800	791,800	788,600	782,800	779,300	783,800
Employment	725,200	729,100	729,900	742,200	743,900	752,600	750,100	746,800	756,500	753,400	744,100	739,100	742,700
Unemployment	49,100	49,200	44,100	38,600	35,900	42,100	40,900	42,900	35,300	35,200	38,700	40,200	41,000
Rate	6.3	6.3	5.7	4.9	4.6	5.3	5.2	5.4	4.5	4.5	4.9	5.2	5.2
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,600	787,400	782,200	786,200	788,300	796,900	789,000	785,800	784,800	786,700	778,300	773,100	785,100
Employment	726,500	728,800	727,800	737,800	742,300	746,200	741,700	737,600	741,600	744,500	739,100	732,500	737,200
Unemployment	56,100	58,500	54,400	48,400	45,900	50,700	47,300	48,300	43,200	42,200	39,300	40,600	47,900
Rate	7.2	7.4	7.0	6.2	5.8	6.4	6.0	6.1	5.5	5.4	5.0	5.2	6.1
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,000	789,700	784,900	793,800	797,700	806,900	799,800	793,900	788,100	790,200	783,900	782,400	791,500
Employment	730,400	730,400	727,800	741,200	744,400	750,700	744,400	741,500	743,100	745,900	738,400	735,300	739,500
Unemployment	56,600	59,300	57,100	52,600	53,300	56,200	55,400	52,400	45,000	44,400	45,500	47,100	52,100
Rate	7.2	7.5	7.3	6.6	6.7	7.0	6.9	6.6	5.7	5.6	5.8	6.0	6.6
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	795,700	792,000	795,300	800,800	805,300	800,900	796,900	795,800	799,900	791,000	785,700	795,700
Employment	730,800	732,700	733,300	745,400	750,400	753,500	748,000	744,200	749,900	754,700	745,000	739,600	744,000
Unemployment	58,700	63,100	58,700	49,900	50,400	51,800	52,900	52,700	45,900	45,200	46,000	46,100	51,800
Rate	7.4	7.9	7.4	6.3	6.3	6.4	6.6	6.6	5.8	5.7	5.8	5.9	6.5
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	798,800	798,000	790,900	799,200	802,400	814,200	807,700	802,100	800,700	798,100	792,900	788,800	799,500
Employment	734,500	734,900	733,800	747,400	752,100	758,400	754,200	749,400	752,500	749,100	744,500	739,200	745,800
Unemployment	64,300	63,100	57,100	51,800	50,300	55,800	53,500	52,700	48,100	49,000	48,400	49,600	53,600
Rate	8.0	7.9	7.2	6.5	6.3	6.9	6.6	6.6	6.0	6.1	6.1	6.3	6.7
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,500	802,500	799,100	806,600	815,200	822,700	815,800	809,500	811,600	813,000	802,600	800,200	808,000
Employment	736,100	738,000	738,900	750,500	757,200	760,400	754,300	749,300	757,500	759,400	749,400	744,000	749,600
Unemployment	61,400	64,500	60,200	56,100	58,000	62,300	61,500	60,200	54,100	53,600	53,200	56,100	58,400
Rate	7.7	8.0	7.5	7.0	7.1	7.6	7.5	7.4	6.7	6.6	6.6	7.0	7.2
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	799,900	801,500	798,100	803,700	806,900	816,100	810,100	810,100	812,200	812,200	805,300	802,700	806,600
Employment	725,700	726,800	728,600	741,100	745,400	750,700	747,900	747,200	753,700	756,200	750,800	746,100	743,300
Unemployment	74,200	74,700	69,500	62,600	61,500	65,500	62,100	62,900	58,500	56,000	54,500	56,600	63,200
Rate	9.3	9.3	8.7	7.8	7.6	8.0	7.7	7.8	7.2	6.9	6.8	7.0	7.8
2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	799,300	805,500	801,600	811,900	814,800	822,200	819,100	816,400	814,100	810,800	804,700	801,000	810,100
Employment	720,800	722,100	724,900	743,100	747,700	752,800	750,000	746,500	749,800	747,900	739,400	733,900	739,900
Unemployment	78,500	83,400	76,800	68,800	67,100	69,400	69,100	69,900	64,300	62,900	65,300	67,100	70,200
Rate	9.8	10.4	9.6	8.5	8.2	8.4	8.4	8.6	7.9	7.8	8.1	8.4	8.7

BRIM

October 2021

Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Two Months Ending August 31, 2021

Talking Points for Joint Committee on Government and Finance Meeting
October 2021

1. **Premium Revenue** reflects the premiums earned for the first two months of the fiscal year.
2. **Claims Expense** reflects claims payments made thru August. The total claims payments made for the first two months of this year are higher when compared to the same period a year ago. Actual claims payments can vary considerably from month to month.
3. **Investment Income** thru August 2021 reflects the earnings vs. the first two months of last year.
4. BRIM has no un-funded liability and continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Two Months Ended August 31st

	2021	2020
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,770	\$ 19,027
Advance deposits with insurance company and trustee	249,332	264,315
Receivables	8,377	9,012
Prepaid insurance	2,536	2,301
Restricted cash and cash equivalents	12,221	21,852
Premiums due from other entities	1,184	1,134
Total current assets	288,420	317,641
Noncurrent assets:		
Equity position in internal investments pools	124,942	109,884
Restricted investments	72,154	63,458
Total noncurrent assets	197,096	173,342
Total assets	485,516	490,983
Deferred Outflows of Resources		
Deferred Outflows of Resources	438	215
Deferred Outflows of Resources - OPEB	115	84
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	61,326	69,336
Unearned premiums	17,381	16,673
Agent commissions payable	1,682	1,706
Claims Payable	14	0
Accrued expenses and other liabilities	961	1,453
Total current liabilities	81,363	89,166
Estimated unpaid claims and claims adjustment expense net of current portion		
	129,270	136,460
Compensated absences	172	150
Net pension liability	533	214
Total noncurrent liabilities	129,975	136,824
Total liabilities	211,338	225,990
Deferred Inflows of Resources		
Deferred Inflows of Resources	35	145
Deferred Inflows of Resources - OPEB	351	171
Net position:		
Restricted by State code for mine subsidence coverage	80,155	78,617
Unrestricted	196,713	179,166
Net Assets (Deficiency)	(2,523)	7,193
Net position	\$ 274,345	\$ 264,975

Unaudited

West Virginia Board of Risk and Insurance Management
 Statements of Revenues, Expenses, and Changes in Net Position

For the Two Months Ended August 31st

	2021	2020
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 13,803	\$ 13,790
Less coverage/reinsurance programs	(827)	(732)
Net operating revenues	12,976	13,058
 Operating expenses		
Claims and claims adjustment expense	18,303	14,622
General and administrative	763	865
Total operating expenses	19,066	15,487
 Operating income (loss)	(6,090)	(2,429)
 Nonoperating revenues		
Investment income	3,567	9,622
Net nonoperating revenues	3,567	9,622
Changes in net position	(2,523)	7,193
 Total net position, beginning of year	276,868	257,782
 Total net position, end of period	\$ 274,345	\$ 264,975

Unaudited

PEIA

October 2021

Interim Packet

PEIA October Interim Talking Points

- **PEIA and RHBT year to date financial statements for August 31, 2021 are available for your review.**
- **PEIA statements indicate PEIA is currently ahead of plan by \$11 million.**
- **RHBT statements indicate RHBT is currently ahead of plan by \$2 million. This is due to higher than forecast investment income.**
- **The 2022 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$141, \$33 and \$68 million respectively.**
- **These reserve levels represent 22%, 22% and 37% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Two Months Ending Tuesday, August 31, 2021
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$359	\$358	\$371	Health premiums - Non Par	\$1	0%	(\$12)	(3%)
1,927	1,934	2,240	Health Premiums - RLC Health, Life	(7)	(0%)	(313)	(14%)
16,475	16,666	22,825	Pay Go Premiums	(191)	(1%)	(6,350)	(28%)
5,000	5,000	5,000	State appropriation - OPEB	-	0%	-	0%
23,761	23,958	30,436	Total Employer Premiums	(197)	(1%)	(6,675)	(22%)
			Other Additions:				
133	166	133	Retiree Drug Subsidy	(33)	(20%)	-	0%
		0	Other Revenue				
19,136	17,404	72,730	Investment Income	1,732	10%	(53,594)	(74%)
43,030	41,528	103,299	TOTAL ADDITIONS	1,502	4%	(60,269)	(58%)
			DEDUCTIONS				
16,018	17,636	18,937	Payments to Managed Care Org.	1,618	9%	2,919	15%
4,403	4,684	4,398	Life Insurance Expense	281	6%	(5)	(0%)
8,057	8,099	7,503	Medical Claims Expense	42	1%	(554)	(7%)
4,853	4,410	3,319	Pharmacy Claims Expense	(443)	(10%)	(1,534)	(46%)
275	278	288	Administrative Service Fees (External)	3	1%	13	5%
(11,231)	(11,774)	(11,270)	Member Health premiums	(543)	5%	(39)	0%
(4,464)	(4,772)	(4,541)	Member Life Insurance Premiums	(308)	6%	(77)	2%
351	538	433	Other Operating Expenses	187	35%	82	19%
18,262	19,099	19,067	TOTAL DEDUCTIONS	837	4%	805	4%
24,768	22,429	84,232	NET POSITION INCREASE (DECREASE)	2,339	10%	(59,464)	(71%)
			Net Position Restricted for Post Employment Benefits				
1,673,024	1,673,024	1,224,642	Beginning of Period Total Net Position	-	0%	448,382	37%
1,629,685	1,627,346	1,240,767	End of Period Net Position - Restricted	2,339	0%	388,918	31%
68,107	68,107	68,107	End of Period Net Position - PSR	-	0%	-	0%
\$1,697,792	\$1,695,453	\$1,308,874	End of Period Total Net Position	\$2,339	0%	\$388,918	30%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Two Months Ending Tuesday, August 31, 2021

(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$68,304	\$68,811	\$63,789	Health Insurance - State Gov. - Employers	(\$507)	(1%)	\$4,515	7%
20,055	20,108	20,057	Health Insurance - State Gov. - Employees	(53)	(0%)	(2)	(0%)
21,020	20,922	19,581	Health Insurance - Local Gov. - All	98	0%	1,439	7%
750	774	751	Administrative Fees, Net of Refunds	(24)	(3%)	(1)	(0%)
284	346	315	Other Premium Revenue	(62)	(18%)	(31)	(10%)
110,413	110,961	104,493	Total Operating Revenue	(548)	(0%)	5,920	6%
NON-OPERATING REVENUE							
423	536	489	Life Insurance	(113)	(21%)	(66)	(13%)
3,500	3,500	3,500	Direct Transfer	0	0%	0	0%
3,331	2,108	11,096	Interest and Investment Income	1,223	58%	(7,765)	(70%)
16,475	16,667	22,825	WV RHBT Pay Go Premiums	(192)	(1%)	(6,350)	(28%)
23,729	22,811	37,910	Total Non-Operating Revenue	918	4%	(14,181)	(37%)
134,142	133,772	142,403	TOTAL REVENUE	370	0%	(8,261)	(6%)
EXPENSES							
58,558	69,219	67,249	Claims Expense - Medical	10,661	15%	8,691	13%
27,718	28,069	20,266	Claims Expense - Drugs	351	1%	(7,452)	(37%)
9,071	9,388	8,801	Payments to Managed Care Org.	317	3%	(270)	(3%)
3,890	3,473	3,258	Administrative Service Fees	(417)	(12%)	(632)	(19%)
143	366	0	Wellness and Disease Management	223	61%	(143)	0%
695	760	920	Other Operating Expenses	65	9%	225	24%
350	371	352	Life Insurance Expense	21	6%	2	1%
34	68	68	ACA Comparative Effectiveness Fee	34	50%	34	50%
16,475	16,667	22,825	WV RHBT Pay Go Premiums	192	1%	6,350	28%
116,934	128,381	123,739	TOTAL EXPENSES	11,447	9%	6,805	5%
17,208	5,391	18,664	YTD Surplus (Deficit)	11,817	219%	(1,456)	(8%)
162,373	162,373	225,402	Total Net Position, Beginning of Period	0	0%	(63,029)	(28%)
104,162	104,162	115,347	End of Period Net Position, Actuarially Required Reserve	0	0%	(11,185)	(10%)
75,419	63,602	128,719	End of Period Net Position, PEIA PSR	0	0%	(53,300)	(41%)
\$179,581	\$167,764	\$244,066	Total Net Position, End of Period	\$11,817	7%	(\$64,485)	(26%)

Real Estate Division

October 2021

Interim Packet

Department of Administration Real Estate Division Leasing Report

For the period of September 1 - 30, 2021

There are 10 leasing changes for this period, and they are as follows:

- 1 – New Contract of Lease
- 5 – Straight Renewal
- 1 – Renewal with Increase in Rent – DOA Owned
- 2 – Renewal with Increase in Rent
- 1 – Renewal with Decrease in Rent – DOA Owned

Department of Administration Real Estate Division Leasing Report
For the period of September 1, 2021, through September 30, 2021

NEW CONTRACT OF LEASE

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-041 New Contract of Lease for 3 years consisting of 6,250 square feet of office and classroom space at the annual per square foot rate of \$1.34, annual cost \$8,400.00, water, sewer, and garbage removal included, 2507 9th Avenue, in the City of Parkersburg, Wood County, West Virginia.

STRAIGHT RENEWAL

STATE FIRE MARSHAL

SFM-003 Renewal for 3 years consisting of 4,000 square feet of warehouse space at the current annual per square foot rate of \$6.95, annual cost \$27,800.04, snow/ice and garbage removal, 4998-H South Elk River Road, in the City of Elkview, Kanawha County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-122 Renewal for 5 years consisting of 3,000 square feet of office space at the current annual per square foot rate of \$0.40, annual cost \$1,200.00, janitorial services, garbage and snow/ice removal, 336 Greenbrier Road in the City of Lewisburg, Greenbrier County, West Virginia.

HUMAN RIGHTS COMMISSION

HRC-003 Renewal for 5 years consisting of 8,937 square feet of office space at the current annual per square foot rate of \$11.92, annual cost \$106,529.04, full service, 1321 Plaza East, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-210 Renewal for 3 years consisting of 178 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 670 Lower Washington Street, in the City of Elizabeth, Wirt County, West Virginia.

HORIZONS YOUTH SERVICES DBA CHARLESTON JOB CORP

HYS-002-D21 Renewal for 4 months(s) consisting of one (1) cubicle of office space at the current annual per square foot rate of \$200.00 per month, annual cost \$2,400.00, full service, 300 Lakeview Center in the City of Parkersburg, Wood County, West Virginia.

RENEWAL WITH INCREASE IN RENT – DOA OWNED

WEST VIRGINIA OFFICE OF TECHNOLOGY

OOT-006 Renewal for 3 years consisting of 20,864 square feet of office space at the current annual per square foot rate of \$11.00, annual cost \$229,503.96 for year 1, then increase to \$12.10, annual cost \$252,454.44 for year 2, then increase to \$12.91, annual cost \$269,354.28 for year 3, full service, Building #6, 1900 Kanawha Boulevard East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF CORRECTIONS AND REHABILITATION

COR-100 Renewal for 5 years consisting of 37,590 square feet of office, instructional, training, dining, kitchen, and exercise space with an increase in the monthly rate from \$45,000.00 to \$46,800.00, annual cost \$561,600.00 for year 1, then increase to \$48,672.00 annual cost \$584,064.00 for year 2, then increase to \$50,618.88, annual cost \$607,426.56 for year 3, then increase to \$52,643.64, annual cost \$631,723.68 for year 4, then increase to \$54,749.39, annual cost \$656,992.68 for year 5, 103 Academy Drive, in the City of Glenville, Gilmer County, West Virginia.

BOARD OF RESPIRATORY CARE

BRC-001 Renewal for 3 years consisting of 1,200 square feet of office space with an increase in the annual per square foot rate from \$13.25 to \$13.35, annual cost \$16,020.00, full service, 106 Dee Drive, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN RENT – DOA OWNED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-160 Renewal for 3 years consisting of 154,483 square feet of office and storage space at the current square foot rate of \$16.68, annual cost \$2,576,776.44 for year 1, then decrease to \$15.85, annual cost \$2,448,555.55, for year 2, then decrease to \$15.06, annual cost \$2,326,513.98 for year 3, full service, Building #37, 601 57th Street, SE, in the City of Charleston, Kanawha, County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 September 1 - 30, 2021

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	DOCR, Bureau of Juvenile Services	BJS-041	Wood	6,250	1.34	8,400	3.00	25,200
2	State Fire Marshal	SFM-003	Kanawha	4,000	6.95	27,800	3.00	83,400
3	West Virginia State Police	PSA-122	Greenbrier	3,000	0.40	1,200	5.00	6,000
4	Human Rights Commission	HRC-003	Kanawha	8,937	11.92	106,529	5.00	532,645
5	Department of Health and Human Resources	HHR-210	Wirt	178	16.85	3,000	3.00	9,000
6	Horizons Youth Services DBA Charleston Job Corp	HYS-002	Wood	1 cubicle	200.00/mth	2,400	0.33	800
7	West Virginia Office of Technology	OOT-006	Kanawha	20,864	11.00	229,504	1.00	229,504
	West Virginia Office of Technology	OOT-006	Kanawha	20,864	12.10	252,454	1.00	252,454
	West Virginia Office of Technology	OOT-006	Kanawha	20,864	12.91	269,354	1.00	269,354
8	Division of Corrections and Rehabilitation	COR-100	Gilmer	37,590	14.94	561,600	1.00	561,600
	Division of Corrections and Rehabilitation	COR-100	Gilmer	37,590	15.54	584,064	1.00	584,064
	Division of Corrections and Rehabilitation	COR-100	Gilmer	37,590	16.16	607,427	1.00	607,427
	Division of Corrections and Rehabilitation	COR-100	Gilmer	37,590	16.81	631,724	1.00	631,724
	Division of Corrections and Rehabilitation	COR-100	Gilmer	37,590	17.48	656,993	1.00	656,993
9	Board of Respiratory Care	BRC-001	Kanawha	1,200	13.35	16,020	3.00	48,060
10	Department of Environmental Protection	DEP-160	Kanawha	154,483	16.68	2,576,776	1.00	2,576,776
	Department of Environmental Protection	DEP-160	Kanawha	154,483	15.85	2,448,556	1.00	2,448,556
	Department of Environmental Protection	DEP-160	Kanawha	154,483	15.06	2,326,514	1.00	2,326,514

	104.18
Total Rentable Square Feet	<u>737,556</u>
Average Annual Rental Rate	<u>6.13</u>
Total Annual Rent	<u>11,310,314</u>

* Indicates the rental amount will exceed \$1,000,000 within the term of the lease.

Joint Committee on Government and Finance

October 2021

Department of Health and Human Resources

**MEDICAID REPORT
July 2021 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

	MONTH OF JULY 2021		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2021	SFY2022	Current Month Ended 07/31/21	SFY2022	Current Month Ended 07/31/21	Current Month Ended 07/31/21	Year To-Date Thru 07/31/21	08/01/21 Thru 06/30/22
EXPENDITURES:								
Inpatient Hospital - Reg. Payments	84,428,379	89,982,568	5,676,140	89,982,568	5,676,140	7,498,547	5,676,140	84,306,428
Inpatient Hospital - DSH	52,900,181	53,500,000	-	53,500,000	-	4,458,333	-	53,500,000
Inpatient Hospital - Supplemental Payments	-	-	-	-	-	-	-	-
Inpatient Hospital - GME Payments	11,030,081	13,374,392	-	13,374,392	-	1,114,533	-	13,374,392
Mental Health Facilities	6,565,065	128,725,918	763,559	128,725,918	763,559	10,727,160	763,559	127,962,359
Mental Health Facilities - DSH Adjustment Payments	17,062,464	18,887,045	-	18,887,045	-	1,573,920	-	18,887,045
Nursing Facility Services - Regular Payments(3)	790,659,498	830,157,949	66,298,424	830,157,949	66,298,424	69,179,829	66,298,424	763,859,525
Nursing Facility Services - Supplemental Payments	-	25,500,000	-	25,500,000	-	2,125,000	-	25,500,000
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,387,572	71,800,292	5,471,838	71,800,292	5,471,838	5,983,358	5,471,838	66,328,454
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-	-	-
Physicians Services - Regular Payments	29,601,249	36,495,808	2,082,905	36,495,808	2,082,905	3,041,317	2,082,905	34,412,903
Physicians Services - Supplemental Payments	-	-	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	38,169,328	47,004,897	2,913,289	47,004,897	2,913,289	3,917,075	2,913,289	44,091,608
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-	-	-
Prescribed Drugs	799,557,061	833,558,778	77,932,157	833,558,778	77,932,157	69,463,231	77,932,157	755,626,621
Drug Rebate Offset - National Agreement	(517,706,685)	(466,000,000)	(22,984,702)	(466,000,000)	(22,984,702)	(38,833,333)	(22,984,702)	(443,015,298)
Drug Rebate Offset - State Sidebar Agreement	(54,952,249)	(48,000,000)	(14,020,032)	(48,000,000)	(14,020,032)	(4,000,000)	(14,020,032)	(33,979,968)
Drug Rebate Offset - MCO National	(12,128,958)	(12,600,000)	(4,211,644)	(12,600,000)	(4,211,644)	(1,050,000)	(4,211,644)	(8,388,356)
Drug Rebate Offset - MCO State Sidebar Agreement	1,546	-	-	-	-	-	-	-
Dental Services	4,639,474	4,480,780	406,157	4,480,780	406,157	373,398	406,157	4,074,623
Other Practitioners Services - Regular Payments	7,655,590	4,463,814	1,328,401	4,463,814	1,328,401	371,985	1,328,401	3,135,413
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-	-	-
Clinic Services	1,020,452	898,193	42,521	898,193	42,521	74,849	42,521	855,672
Lab & Radiological Services	6,475,294	7,488,287	433,651	7,488,287	433,651	624,024	433,651	7,054,636
Home Health Services	25,690,903	31,555,723	598,650	31,555,723	598,650	2,629,644	598,650	30,957,073
Hysterectomies/Sterilizations	54,130	26,190	7,017	26,190	7,017	2,182	7,017	19,173
Pregnancy Terminations (2)	27,041	39,867	2,326	39,867	2,326	3,322	2,326	37,541
EPSDT Services	747,578	673,291	43,955	673,291	43,955	56,108	43,955	629,336
Rural Health Clinic Services	2,181,319	4,104,901	213,049	4,104,901	213,049	342,075	213,049	3,891,852
Medicare Health Insurance Payments - Part A Premiums	25,032,749	27,501,864	2,128,701	27,501,864	2,128,701	2,291,822	2,128,701	25,373,163
Medicare Health Insurance Payments - Part B Premiums	128,711,243	149,871,522	10,997,284	149,871,522	10,997,284	12,489,294	10,997,284	138,874,238
120% - 134% Of Poverty	10,805,524	10,914,660	1,032,224	10,914,660	1,032,224	909,555	1,032,224	9,882,436
135% - 175% Of Poverty	-	-	-	-	-	-	-	-
Coinsurance And Deductibles	12,082,664	13,473,012	922,723	13,473,012	922,723	1,122,751	922,723	12,550,289

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

	MONTH OF JULY 2021		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2021	SFY2022	Current Month Ended 07/31/21	SFY2022	Current Month Ended 07/31/21	Current Month Ended 07/31/21	Year To-Date Thru 07/31/21	08/01/21 Thru 06/30/22
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,242,614,736	2,514,062,580	172,780,940	2,514,062,580	172,780,940	209,505,215	172,780,940	2,341,281,640
Medicaid MCO - Evaluation and Management	-	-	-	-	-	-	-	-
Medicaid MCO - Vaccine Codes	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	2,089,915	1,586,760	-	1,586,760	-	132,230	-	1,586,760
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (IDD)	313,859,226	497,321,983	25,322,217	497,321,983	25,322,217	41,443,499	25,322,217	471,999,766
Home & Community-Based Services (Aged/Disabled)	130,537,179	203,359,736	9,735,271	203,359,736	9,735,271	16,946,645	9,735,271	193,624,465
Home & Community-Based Services (Traumatic Brain Injury)	1,953,384	2,084,341	140,880	2,084,341	140,880	173,695	140,880	1,943,461
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-	-	-
Personal Care Services - Regular Payments	72,895,766	119,909,542	5,950,853	119,909,542	5,950,853	9,992,462	5,950,853	113,958,689
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,603,240	12,062,600	192,489	12,062,600	192,489	1,005,217	192,489	11,870,111
Primary Care Case Management Services	-	-	-	-	-	-	-	-
Hospice Benefits	28,366,378	29,903,554	2,427,077	29,903,554	2,427,077	2,491,963	2,427,077	27,476,477
Emergency Services Undocumented Aliens	981,582	491,378	24,713	491,378	24,713	40,948	24,713	466,665
Federally Qualified Health Center	6,455,228	22,076,655	603,960	22,076,655	603,960	1,839,721	603,960	21,472,695
Non-Emergency Medical Transportation	44,226,940	40,838,778	3,388,091	40,838,778	3,388,091	3,403,231	3,388,091	37,450,687
Physical Therapy	1,072,716	932,892	69,790	932,892	69,790	77,741	69,790	863,102
Occupational Therapy	467,792	372,193	28,375	372,193	28,375	31,016	28,375	343,818
Services for Speech, Hearing & Language	225,177	159,278	14,082	159,278	14,082	13,273	14,082	145,196
Prosthetic Devices, Dentures, Eyeglasses	409,992	454,903	46,592	454,903	46,592	37,909	46,592	408,311
Diagnostic Screening & Preventive Services	72,281	99,618	3,428	99,618	3,428	8,302	3,428	96,190
Nurse Mid-Wife	91,556	164,969	7,004	164,969	7,004	13,747	7,004	157,965
Emergency Hospital Services	-	-	-	-	-	-	-	-
Critical Access Hospitals	21,241,098	25,417,104	1,627,295	25,417,104	1,627,295	2,118,092	1,627,295	23,789,809
Nurse Practitioner Services	3,739,212	3,589,872	281,021	3,589,872	281,021	299,156	281,021	3,308,851
School Based Services	30,958,232	31,999,621	443,264	31,999,621	443,264	2,666,635	443,264	31,556,357
Rehabilitative Services (Non-School Based)	28,466,999	25,889,896	2,230,425	25,889,896	2,230,425	2,157,491	2,230,425	23,659,471
2a) Opioid Treatment Program (OTP) - Methadone services	13,670,289	-	311,142	-	311,142	-	311,142	(311,142)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	1,587,654	-	141,307	-	141,307	-	141,307	(141,307)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	3,700,900	-	328,250	-	328,250	-	328,250	(328,250)
2a) Opioid Treatment Program (OTP) - Other	90,140	-	379	-	379	-	379	(379)
Private Duty Nursing	6,430,388	7,484,872	588,218	7,484,872	588,218	623,739	588,218	6,896,654
Freestanding Birth Centers	-	-	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,451,102	2,149,445	261,702	2,149,445	261,702	179,120	261,702	1,887,743
Other Care Services	24,723,597	31,655,807	579,640	31,655,807	579,640	2,637,984	579,640	31,076,167
Less: Recoupments	-	-	(20,456)	-	(20,456)	-	(20,456)	20,456
NET MEDICAID EXPENDITURES:	4,524,681,192	5,451,948,129	365,586,542	5,451,948,129	365,586,542	454,329,011	365,586,542	5,086,361,587

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

MONTH OF JULY 2021

Collections: Third Party Liability (line 9A on CMS-64)
 Collections: Probate (line 9B on CMS-64)
 Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)
 Collections: Other (line 9D on CMS-64)

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

Plus: Medicaid Part D Expenditures
 Plus: State Only Medicaid Expenditures
 Plus: Money Follow the Person Expenditures

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables (1)
 Plus: NATCEP/PASARR/Eligibility Exams
 Plus: HIT Incentive Payments

TOTAL EXPENDITURES

ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
SFY2021	SFY2022	Current Month Ended 07/31/21	Current Month Ended 07/31/21	Year To-Date Thru 07/31/21	08/01/21 Thru 06/30/22
(10,684,041)	-	-	-	-	-
(159,661)	-	-	-	-	-
(19,438)	-	-	-	-	-
(11,218,738)	-	-	-	-	-
4,502,599,314	5,451,948,129	365,586,542	454,329,011	365,586,542	5,086,361,587
30,108,117	34,908,744	2,750,183	2,909,062	2,750,183	32,158,561
341,411	352,058	22,140	29,338	22,140	329,918
1,254,161	1,266,828	79,368	105,569	79,368	1,187,460
\$ 4,534,303,003	\$ 5,488,475,759	\$ 368,438,233	\$ 457,372,980	\$ 368,438,233	\$ 5,120,037,526
5,295,579	-	407,257	-	407,257	(407,257)
1,889,696	83,009	39,408	6,917	39,408	43,600
(182,398)	-	-	-	-	-
\$ 4,541,305,880	\$ 5,488,558,768	\$ 368,884,898	\$ 457,379,897	\$ 368,884,898	\$ 5,119,673,870

- (1) This amount will revert to State Only if not reimbursed.
- (2) Pregnancy Terminations are State Only expenditures and are not currently claimed.
- (3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$2,186,443.57 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2022

MONTH OF JULY 2021	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2021	Current Month Ended 07/31/21	Year-To-Date Thru 07/31/21	08/01/21 Thru 6/30/22	SFY2022
REVENUE SOURCES					
Beg. Bal. 7/01/20 (5084/1020 prior mth)	25,964,129	139,436,683	139,436,683	-	139,436,683
MATCHING FUNDS					
General Revenue (0403/189)	276,148,868	21,126,417	21,126,417	297,385,796	318,512,213
IDD Waiver (0403/466)	108,541,736	7,236,116	7,236,116	101,305,620	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	216,333	2,379,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	529,667	5,826,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	53,334	53,334	746,666	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	906,241	906,241	12,687,379	13,593,620
Medical Services Surplus (0403/633)	-	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	4,015,503	-	-	4,015,503	4,015,503
Lottery Waiver (0420/539)	29,950,955	-	-	29,950,955	29,950,955
Lottery Transfer (5405/871)	16,400,070	-	-	16,400,070	16,400,070
Excess Lottery (5365/189)	66,302,960	-	-	16,302,960	16,302,960
Lottery Surplus (5405/68199)	14,423,022	-	-	16,000,000	16,000,000
Lottery Surplus (5365/68100)	17,000,000	-	-	17,000,000	17,000,000
Trust Fund Appropriation (5185/189)	64,091,372	-	-	36,570,424	36,570,424
Provider Tax (5090/189)	213,581,236	-	-	485,830,608	485,830,608
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	11,568,907	589,976	589,976	11,699,112	12,289,088
Reimbursables - Amount Reimbursed	5,574,693	-	-	-	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	81	1,017	1,017	(1,017)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	55,713	-	-	-	-
TOTAL MATCHING FUNDS	\$ 876,964,865	\$ 170,095,784	\$ 170,095,784	\$ 1,054,100,075	\$ 1,224,195,859
	-	-	-	-	-
FEDERAL FUNDS	3,802,320,381	250,423,520	250,423,520	4,229,441,566	4,479,865,086
TOTAL REVENUE SOURCES	\$ 4,679,285,247	\$ 420,519,304	\$ 420,519,304	\$ 5,283,541,642	\$ 5,704,060,945
TOTAL EXPENDITURES:					
Provider Payments	4,541,305,880	368,884,898	368,884,898	5,119,673,870	5,488,558,768
TOTAL	\$ 137,979,367	\$ 51,634,405	\$ 51,634,405	\$ 163,867,772	\$ 215,502,178

Note: 74.99% applicable Oct. 2020 - Sep. 2021

Joint Committee on Government and Finance

October 2021

Department of Health and Human Resources

MEDICAID WAIVER REPORT

July 2021

WV Department of Health and Human Resources
Bureau for Medical Services - Aged and Disabled Waiver Program Report

Aged & Disabled Waiver: Reporting Month JULY 2021		FY 2021	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY2022
Slots Approved By CMS (1)		7,912	7,912												7,912
-Slots Available for Traditional (ADW-WV) enrollees		7,596	7,836												7,836
-Slots reserved for Take Me Home/Money Follows the Person enrollees		76	76												76
Total number of members served YTD (unduplicated slots used) YTD Column reflects most recent month's count		7,884	7,039												7,039
Applicants determined eligible this month and added to MEL		2,580	238												238
Applicants determined ineligible		129	10												10
ACTIVE MEMBERS															
Active ADW Members at the end of the month minus MFP/TMH		6,865	6,930												6,930
Active ADW-TMH/MFP Members at the end of the month		53	49												49
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		6,973	6,891												6,891
Members enrolled during the calendar month		1,986	101												101
-Total members enrolled during the calendar month minus MFP/TMH		1,938	99												99
-Total TMH-MFP members enrolled during the calendar month		48	2												2
Members discharged during the calendar month		1,190	88												88
ADW Members whose case was closed by reason	Member is deceased	824	62												62
	Other (2)	366	26												26
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		1,783	380												380
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,071	117												117
	Applicant became deceased	175	14												14
	Other	537	249												249
Applicants on the MEL who are in a nursing facility YTD Column reflects average # members in setting		1	8												8
Applicants on the MEL receiving Personal Care YTD Column reflects average # members in setting		3	8												8
Applicants on the MEL at the end of the month		30	28												28
Days -Average time spent on the MEL to date Minus MFP Applicants		61	42												42

(1) CMS approved 240 additional slots on June 30, 2021, increasing the number of total slots from 7,672 to 7,912 for FY2020 forward.

(2) Other reasons for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliant with program, member no longer desires services, member no longer WV resident, member no longer medically and financially eligible.

**WV Department of Health and Human Resources
Bureau for Medical Services I/DD Waiver Program Report**

Intellectual/Developmental Disabilities Waiver Reported July 31, 2021		FY 2021	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD 2022
Slots approved by CMS		5,964	5,964												5,964
Total number of members served YTD (unduplicated slots used) (1)		5,928	5,861												5,861
Total number of members served YTD in Traditional Slots		5,918	5,861												5,918
Total number of members served YTD in Adult Ben H. slots (Active)		6	0												0
Total number of members served YTD in Children Ben H. slots (Active)		6	0												0
Applicants determined eligible (2)		390	53												53
Applicants determined ineligible (3)		448	46												46
ACTIVE MEMBERS															
# of active members at the end of the month (unduplicated slots active) (1)		5,761	5,850												5,761
Discharged members at the end of the calendar month		191	14												14
Discharged members who were discharged by reason	Deceased	73	9												9
	Left program to enter a facility	35	2												2
	a. Hospital	0	0												0
	b. ICF/IID	15	0												0
	c. Nursing Facility	20	2												2
	d. Psychiatric Facility	0	0												0
	e. Rehabilitation Facility	0	0												0
	f. Other Facility	0	0												0
Other (6)	77	3												3	
MANAGED ENROLLMENT LIST (MEL)															
Total number of applicants on the MEL at the end of the month		n/a	158												158
Number of applicants added to the MEL (4)		390	53												53
Applicants enrolled (removed from the MEL)		616	103												103
Applicants removed from the MEL due to Death (5)		1	0												0
Applicants removed from the MEL due to Other (6)		85	3												3
Applicants on the MEL who are in a Nursing Facility (9)		1	2												2
Applicants on the MEL who are in an ICF/IID Group Home (9)		4	8												8
Applicants on the MEL receiving Personal Care Services each month (8) (9)		3	9												9
Longest on the MEL to date (7)		798	829												829

(1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(2 and 3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

(5) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

**WV Department of Health and Human Resources
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported July 31, 2021		FY 2021	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY2022 YTD
Slots Approved By CMS (1)		90	90	90	90	90	90	90	90	90	90	90	90	90	90
-Slots Available for Traditional (non TMH-WV) enrollees		90	86												86
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		0	4												4
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		90	85												85
Applicants determined eligible this month and added to MEL (3)		2	1												1
Applicants determined ineligible		0	0												0
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		85	85												85
Active members enrolled during the calendar month		12	1												1
-Total Active Traditional members enrolled during the calendar month		12	1												1
-Total Active TMH-WV members enrolled during the calendar month		0	0												0
Members discharged during the calendar month		5	1												1
TBIW Members whose case was closed by reason	Member is deceased	0	1												1
	Other (4)	5	0												0
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		0	1												1
TBIW Applicants removed from the MEL	Applicant offered a slot	0	1												1
	Applicant became deceased	0	0												0
	Other (5)	0	0												0
Applicants on the MEL who are in a nursing facility		1	0												0
Applicants on the MEL receiving Personal Care		0	0												0
Applicants on the MEL at the end of the month		2	2												2
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		23	31												31

(1) Of the 90 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2022.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Reported in actual number of days on the MEL.

NOTE: All data as reported by the Utilization Management Contractor is point-in-time



West Virginia
Department of Health and Human Resources

Children's Health Insurance Program

*OCTOBER 2021
Report*

to

Joint Committee on
Government and Finance

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Two Months Ending August 31, 2021 and August 31, 2020

	Annual Budget 2021	Budget Year-to-Date	Actual August 31, 2021	Actual August 31, 2020	Actual Variance		Budget Variance	
					\$	%	\$	%
Beginning Operating Fund Balance			\$7,418,708	\$6,218,611	\$1,200,097	19%		
Revenues								
Federal Grants	\$53,211,908	\$8,868,651	\$7,210,212	\$6,514,893	\$695,320	11%	(\$1,658,439)	-19%
State Appropriations	\$7,090,665	\$1,181,778	\$947,238	\$932,271	\$0	0%	(\$234,540)	-20%
Premium Revenues	\$82,500	\$13,750	\$10,898	\$14,428	(\$3,530)	-24%	(\$2,852)	-21%
Investment Earnings (Interest)	\$100,000	\$16,667	\$2,011	\$43,622	(\$41,611)	-95%	(\$14,655)	-88%
Total Operating Fund Revenues	\$60,485,073	\$10,080,846	\$8,170,360	\$7,505,213	\$665,146	9%	(\$1,910,486)	-19%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$6,896,629	\$0	\$6,896,629	0%		
Prescribed Drugs			\$1,358,589	\$1,431,827	(\$73,238)	-5%		
Inpatient Hospital Services			\$126,132	\$850,310	(\$724,178)	-85%		
Physicians & Surgical			\$506,442	\$1,688,214	(\$1,181,772)	-70%		
Dental			\$30,770	\$1,494,514	(\$1,463,744)	-98%		
Outpatient Services			\$35,216	\$1,262,720	(\$1,227,504)	-97%		
Therapy			\$16,486	\$263,582	(\$247,096)	-94%		
Other Services			\$11,304	\$561,603	(\$550,299)	-98%		
Inpatient Mental Health			\$3,250	\$46,932	(\$43,682)	-93%		
Vision			\$6,899	\$106,303	(\$99,404)	-94%		
Durable & Disposable Med. Equip.			\$3,157	\$65,051	(\$61,894)	-95%		
Outpatient Mental Health			\$573	\$49,454	(\$48,881)	-99%		
Medical Transportation			\$1,954	\$39,754	(\$37,800)	-95%		
Less: Other Collections**			(\$5,683)	(\$9,980)	\$4,297	-43%		
Drug Rebates	(\$2,517,954)	(\$419,659)	\$0	\$0	\$0	0%	(\$413,976)	99%
Total Claims Expenses	\$60,430,294	\$10,071,716	\$8,991,718	\$7,850,284	\$1,141,434	15%	(\$1,079,998)	-11%
Administrative Expenses:								
Salaries and Benefits	\$669,704	\$111,617	\$91,365	\$113,674	(\$22,309)	-20%	(\$20,252)	-18%
Program Administration	\$4,393,877	\$732,313	\$243,915	\$838,276	(\$594,361)	-71%	(\$488,398)	-67%
Eligibility	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$37,500	\$0	\$0	(\$8,223)	-100%	(\$37,500)	-100%
Current	\$175,000	\$29,167	(\$7,008)	\$8,223	(\$967,181)	0%	(\$36,175)	-124%
Total Administrative Expenses in Operating Fund	\$5,463,581	\$910,597	\$328,271	\$960,173	(\$631,902)	-66%	(\$582,325)	-64%
Total Operating Fund Expenditures	\$65,893,875	\$10,982,313	\$9,319,989	\$8,810,457	\$509,532	6%	(\$1,662,323)	-15%
Adjustments			(\$13,274)	\$743,582				
Ending Operating Fund Balance			\$6,255,805	\$5,656,949	\$598,856	11%		
Money Market			\$13,069	\$1,012,290				
Bond Pool			\$3,788,165	\$3,750,665				
Cash on Deposit			\$2,454,571	\$893,994				
Unrealized Gain/Loss on Investment								
Ending Fund Balance (Accrued Basis)			\$6,255,805	\$5,656,949	\$598,856	11%		
Revenues Outside of Operating Funds:								
Federal Grants			\$0	\$0	\$0	0%		
Total WVCHIP Revenues			\$8,170,360	\$7,505,213	\$665,146	9%		
Program Expenses outside of Operating Funds:								
Eligibility	\$500,000	\$83,333	\$65,387	\$0	\$65,387	0%	(\$17,947)	-22%
Total Administrative Expenses	\$5,963,581	\$993,930	\$393,658	\$960,173	(\$566,515)	-59%	(\$600,272)	-60%
Total WVCHIP Expenditures	\$66,393,875	\$11,065,646	\$9,385,376	\$8,810,457	\$574,919	7%	(\$1,680,270)	-15%

Footnotes:

- Statement is on cash basis.
- Estimate of Incurred but Not Reported (IBNR) claims on August 31, 2021 is \$541,727. The August 31, 2020 estimate was \$4,940,000.
- Administrative Accounts Payable balance on August 31, 2021 was \$200,500. The August 31, 2020 balance was \$133,600.
- 2022 and 2021 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues.
- Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY22 is 85.0%. FMAP during SFY21 was 98.3% through 09/30/20 and 85.00% starting 10/01/20.
- Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH). Operating fund costs represent those directly billed to WVCHIP.

Unaudited - For Management Purposes Only

PRELIMINARY STATEMENT

WVCHIP Enrollment Report

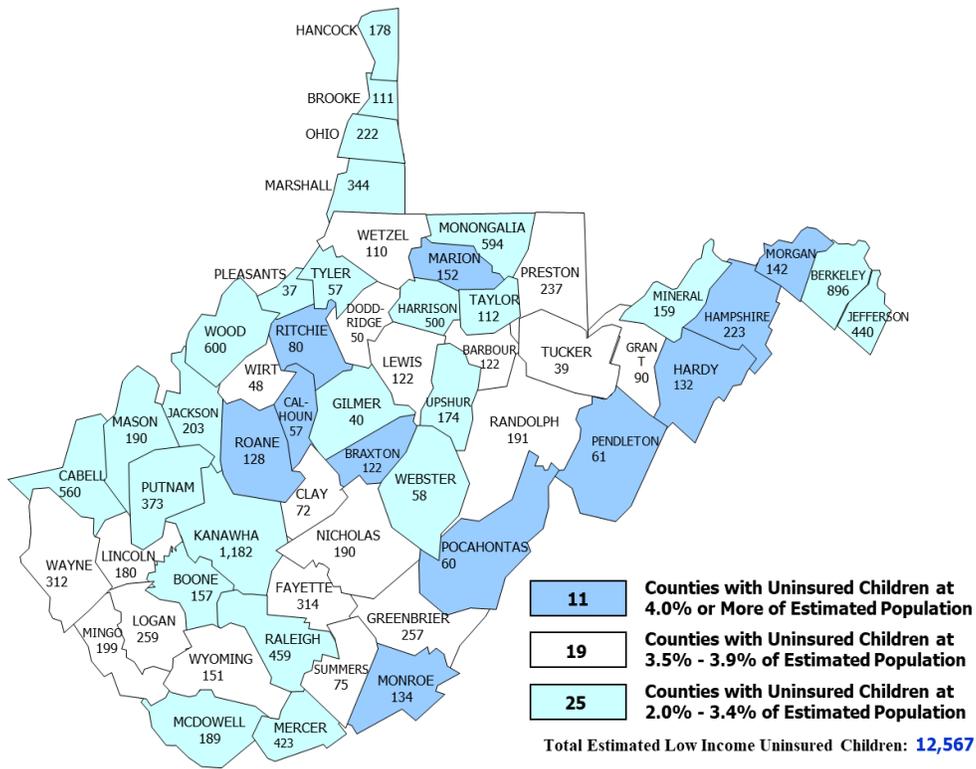
SEPTEMBER 2021

County	County Pop.			MATERNITY		Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018	
	2018 Est. (0-18 Yrs)	BLUE Sep-21	GOLD Sep-21	PREM Sep-21	BLUE Sep-21	PREM Sep-21	Enrollment Sep-21	Enrollment Sep-21	CHIP/Medicaid Enrollment	% of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Barbour	3,332	106	23	82	2	0	213	2,058	2,271	68.2%	122	3.7%
Berkeley	27,917	999	248	552	5	15	1,819	13,828	15,647	56.0%	896	3.2%
Boone	4,775	114	35	37	0	0	186	3,201	3,387	70.9%	157	3.3%
Braxton	2,784	72	14	33	1	1	121	1,638	1,759	63.2%	122	4.4%
Brooke	4,065	0	0	0	0	0	0	73	73	1.8%	111	2.7%
Cabell	18,770	454	137	219	4	5	819	10,514	11,333	60.4%	560	3.0%
Calhoun	1,393	45	16	15	0	0	76	959	1,035	74.3%	57	4.1%
Clay	1,961	48	10	41	0	1	100	1,468	1,568	80.0%	72	3.7%
Doddridge	1,308	43	14	20	0	0	77	782	859	65.7%	50	3.8%
Fayette	9,011	276	64	175	2	4	521	5,669	6,190	68.7%	314	3.5%
Gilmer	1,184	39	4	19	0	0	62	686	748	63.2%	40	3.4%
Grant	2,331	46	15	39	1	0	101	1,404	1,505	64.6%	90	3.9%
Greenbrier	6,860	266	65	162	3	1	497	4,196	4,693	68.4%	257	3.7%
Hampshire	4,388	129	34	79	2	6	250	2,629	2,879	65.6%	223	5.1%
Hancock	5,674	243	72	143	4	3	465	4,490	4,955	87.3%	178	3.1%
Hardy	2,862	113	15	49	0	0	177	1,684	1,861	65.0%	132	4.6%
Harrison	14,835	428	126	277	5	4	840	7,399	8,239	55.5%	500	3.4%
Jackson	6,264	139	39	90	0	1	269	3,447	3,716	59.3%	203	3.2%
Jefferson	13,200	357	69	199	1	2	628	4,231	4,859	36.8%	440	3.3%
Kanawha	36,965	1,007	220	619	12	11	1,869	21,732	23,601	63.8%	1182	3.2%
Lewis	3,480	90	31	56	2	3	182	2,190	2,372	68.2%	122	3.5%
Lincoln	4,638	105	28	64	0	0	197	3,200	3,397	73.2%	180	3.9%
Logan	6,835	173	47	98	2	2	322	4,854	5,176	75.7%	259	3.8%
Marion	3,764	329	77	190	3	3	602	6,028	6,630	176.1%	152	4.0%
Marshall	11,544	136	33	71	0	2	242	2,918	3,160	27.4%	344	3.0%
Mason	6,140	121	46	70	1	1	239	3,113	3,352	54.6%	190	3.1%
Mercer	12,368	428	102	236	0	5	771	8,840	9,611	77.7%	423	3.4%
Mineral	5,476	144	49	79	1	0	273	2,576	2,849	52.0%	159	2.9%
Mingo	5,369	79	62	63	0	1	205	4,272	4,477	83.4%	199	3.7%
Monongalia	17,965	457	108	222	2	1	790	6,394	7,184	40.0%	594	3.3%
Monroe	2,687	86	27	93	0	2	208	1,330	1,538	57.2%	134	5.0%
Morgan	3,320	123	28	62	0	1	214	1,647	1,861	56.1%	142	4.3%
McDowell	5,708	82	27	41	0	0	150	3,096	3,246	56.9%	189	3.3%
Nicholas	5,199	158	67	100	2	2	329	3,233	3,562	68.5%	190	3.7%
Ohio	8,098	247	52	114	3	0	416	4,418	4,834	59.7%	222	2.7%
Pendleton	1,304	42	15	27	0	0	84	630	714	54.8%	61	4.7%
Pleasants	1,457	26	12	11	0	0	49	767	816	56.0%	37	2.5%
Pocahontas	1,495	39	21	31	0	1	92	894	986	66.0%	60	4.0%
Preston	6,586	241	52	139	0	3	435	3,255	3,690	56.0%	237	3.6%
Putnam	13,145	338	77	204	1	2	622	4,770	5,392	41.0%	373	2.8%
Raleigh	15,751	460	97	305	2	6	870	10,197	11,067	70.3%	459	2.9%
Randolph	5,474	208	41	123	3	2	377	3,350	3,727	68.1%	191	3.5%
Ritchie	1,972	36	2	24	0	0	62	1,201	1,263	64.0%	80	4.1%
Roane	2,970	104	37	88	0	1	230	1,873	2,103	70.8%	128	4.3%
Summers	2,160	78	20	37	0	0	135	1,604	1,739	80.5%	75	3.5%
Taylor	3,493	89	24	59	0	0	172	1,806	1,978	56.6%	112	3.2%
Tucker	1,063	51	18	38	0	0	107	607	714	67.2%	39	3.7%
Tyler	1,792	39	10	20	0	0	69	897	966	53.9%	57	3.2%
Upshur	5,076	168	38	113	0	2	321	3,180	3,501	69.0%	174	3.4%
Wayne	8,373	194	65	111	2	1	373	5,131	5,504	65.7%	312	3.7%
Webster	1,690	50	11	34	0	0	95	1,340	1,435	84.9%	58	3.4%

WVCHIP Enrollment Report

SEPTEMBER 2021

County	County Pop.	MATERNITY					Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018
	2018 Est. (0-18 Yrs)	BLUE Sep-21	GOLD Sep-21	PREM Sep-21	BLUE Sep-21	PREM Sep-21	Enrollment Sep-21	Enrollment Sep-21	CHIP/Medicaid Enrollment	% of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Wetzel	3,126	65	14	28	0	1	108	2,022	2,130	68.1%	110	3.5%
Wirt	1,269	27	3	20	0	1	51	781	832	65.6%	48	3.8%
Wood	18,016	488	105	233	1	5	832	9,883	10,715	59.5%	600	3.3%
Wyoming	<u>4,317</u>	<u>120</u>	<u>45</u>	<u>93</u>	<u>4</u>	<u>3</u>	<u>265</u>	<u>2,947</u>	<u>3,212</u>	<u>74.4%</u>	<u>151</u>	<u>3.5%</u>
Totals	<u>372,999</u>	<u>10,545</u>	<u>2,711</u>	<u>6,147</u>	<u>71</u>	<u>105</u>	<u>19,579</u>	<u>207,332</u>	<u>226,911</u>	<u>60.8%</u>	<u>12,567</u>	<u>3.4%</u>

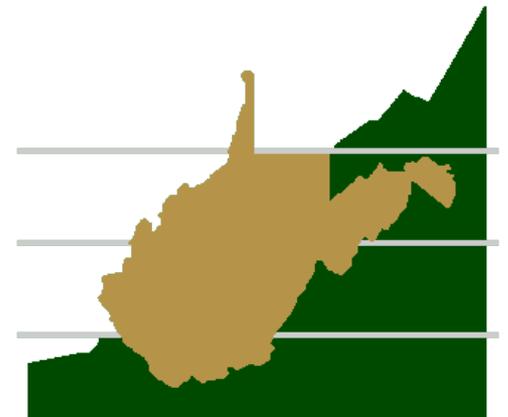


The above map shows the most recent 2018 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.4%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer-sponsored insurance and should be a more accurate way to target outreach than in previous years.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

August 31, 2021



Participant Plans Allocation & Performance Net of Fees

Period Ending: August 31, 2021

	6/30/2021		8/31/2021		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	25,345,298	100.0	25,507,213	100.0								
Pension Assets	20,619,195	81.3	20,744,791	81.3								
Public Employees' Retirement System	8,807,095	34.7	8,861,925	34.7	1.2	4.3	1.2	25.7	12.9	12.5	10.4	8.2
Teachers' Retirement System	9,886,658	39.0	9,943,050	39.0	1.2	4.3	1.2	25.7	12.9	12.4	10.4	8.1
EMS Retirement System	118,769	0.5	120,369	0.5	1.2	4.3	1.2	25.6	12.9	12.5	10.4	
Public Safety Retirement System	851,520	3.4	852,981	3.3	1.2	4.3	1.2	25.8	12.9	12.5	10.4	8.3
Judges' Retirement System	280,670	1.1	283,212	1.1	1.2	4.3	1.2	25.7	12.9	12.5	10.5	8.2
State Police Retirement System	301,156	1.2	305,557	1.2	1.2	4.3	1.2	25.7	12.9	12.5	10.4	8.2
Deputy Sheriffs' Retirement System	314,633	1.2	317,768	1.3	1.2	4.3	1.2	25.7	12.9	12.5	10.4	8.2
Municipal Police & Firefighter Retirement System	23,816	0.1	24,479	0.1	1.2	4.2	1.2	25.2	12.9	12.3	10.0	
Natural Resources Police Office Retirement System	25,063	0.1	25,519	0.1	1.2	4.3	1.2					
Municipal Model A (I)	7,477	0.0	7,527	0.0	1.2	4.3	1.2	25.7	13.1	12.6		
Municipal Model B (I)	2,338	0.0	2,404	0.0	1.2	2.2	1.4	17.7				
Insurance Assets	3,524,704	14.0	3,544,124	13.9								
Workers' Compensation Old Fund	1,086,608	4.3	1,080,834	4.2	0.8	1.8	1.2	13.0	8.7	7.6	6.1	
Workers' Comp. Self-Insured Guaranty Risk Pool	39,772	0.2	40,088	0.1	0.9	1.7	1.2	13.7	8.7	7.7	6.3	
Workers' Comp. Self-Insured Security Risk Pool	56,201	0.2	56,319	0.2	0.9	1.7	1.2	13.7	8.7	7.7		
Workers' Comp. Uninsured Employers' Fund	16,909	0.1	17,158	0.1	0.9	1.6	1.2	13.5	8.5	7.6	6.2	
Pneumoconiosis	247,663	1.0	247,457	1.0	0.9	1.7	1.2	13.7	8.7	7.7	6.3	6.0
Board of Risk & Insurance Management	194,839	0.8	197,097	0.8	0.9	1.7	1.2	13.7	8.8	7.8	6.3	
Public Employees' Insurance Agency	270,948	1.1	274,277	1.1	0.8	1.8	1.2	12.6	8.4	7.4	6.2	
WV Retiree Health Benefit Trust Fund	1,611,764	6.3	1,630,894	6.4	1.2	4.3	1.2	25.6	12.9	12.5	10.2	
Endowment Assets	1,201,399	4.7	1,218,298	4.8								
Berkeley County Development Authority	8,428	0.0	8,527	0.0	1.2	4.3	1.2	25.7	12.9	12.5		
Wildlife Fund	78,281	0.3	78,637	0.3	1.2	4.3	1.2	25.6	12.9	12.4	10.4	8.4
WV State Parks and Recreation Endowment Fund	6,465	0.0	6,926	0.0	1.2		1.2					
Revenue Shortfall Reserve Fund	293,538	1.2	298,437	1.2	0.0	2.4	1.7	3.9	5.2	3.6	3.1	
Revenue Shortfall Reserve Fund - Part B	557,458	2.2	565,574	2.2	0.5	2.2	1.5	9.7	8.5	7.1	6.0	
WV DEP Trust	11,837	0.0	12,005	0.1	1.7	2.0	1.4	23.3	11.3	11.2	9.5	
WV DEP Agency	245,392	1.0	248,192	1.0	1.1	1.7	1.1	16.3	9.6	8.8		

Composite Asset Allocation & Performance Net of Fees

Period Ending: August 31, 2021

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	25,514,265	100.00									
Portable Alpha Composite +/- S&P 500 Index	5,345,441	20.95	2.90 (0.14)	8.07 0.12	5.68 0.19	33.41 2.25					
Large Cap Domestic Equity Composite +/- S&P 500 Index	379,812	1.49	3.03 (0.01)	7.94 (0.01)	5.48 (0.01)	31.05 (0.11)	17.88 (0.19)	17.82 (0.20)	16.24 (0.10)	9.23 (0.08)	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	913,099	3.58	2.67 0.40	(2.03) (3.70)	(1.49) (1.97)	39.44 (6.43)	10.40 (2.69)	14.38 (0.72)	13.49 (0.83)	10.41 (0.10)	
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	5,481,690	21.48	1.26 (0.72)	(1.41) (1.48)	(0.93) (1.62)	28.38 1.58	10.33 0.25	10.98 0.35	8.22 0.95	8.14 0.84	
Fixed Income Composite +/- Bloomberg Universal (c)	4,614,916	18.09	0.08 0.15	1.60 (0.07)	0.83 (0.11)	3.24 2.36	6.47 0.75	4.64 1.16	4.31 0.73	5.16 0.49	
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,390,587	5.45	(0.17) 0.02	1.72 0.09	0.88 (0.05)	1.26 1.34	6.21 0.78	3.73 0.62	3.78 0.60		
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	3,224,329	12.64	0.19 0.26	1.55 (0.12)	0.80 (0.14)	4.10 3.22	6.55 0.83	5.01 1.53	4.55 0.97	5.57 0.82	
TIPS Composite +/- Bloomberg US TIPS	490,976	1.92	(0.16) 0.02	3.13 0.02	2.50 0.02	5.63 0.07	7.43 0.11	4.68 0.08	3.20 0.03		
Cash Composite +/- FTSE 3 Month US T-Bill (d)	101,295	0.40	0.00 0.00	0.01 0.00	0.01 0.00	0.03 (0.03)	1.08 (0.12)	1.07 (0.06)	0.61 (0.03)	1.38 (0.04)	
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,949,827	11.56	0.00 (3.10)	18.52 10.61	(0.01) (5.09)	58.89 22.85	30.76 9.91	26.54 5.57	19.00 (0.58)		
Real Estate Composite +/- NCREIF + 1% (e)	2,201,704	8.63	0.11 (1.16)	3.97 0.76	0.36 (2.19)	11.12 4.35	6.31 0.01	7.33 0.31	8.70 (1.10)		
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,311,912	9.06	1.06 (0.10)	(0.01) (1.16)	0.13 (0.39)	14.78 0.12	6.78 (0.51)	6.12 (0.67)	5.33 0.45		
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	723,593	2.84	0.00 (0.65)	3.01 1.62	(0.02) (0.83)	12.51 2.01	7.10 1.00	6.23 (0.51)			

Participant Plans Allocation vs. Strategy

Period Ending: August 31, 2021

	Equity		Fixed Income		Private Equity		Real Estate		Private Credit & Income		Hedge Funds		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %

Pension Assets

Public Employees' Retirement System	50.3	50.0	14.5	15.0	13.2	10.0	9.8	10.0	3.2	5.0	8.7	10.0	0.3	0.0
Teachers' Retirement System	50.3	50.0	14.8	15.0	13.1	10.0	9.8	10.0	3.2	5.0	8.7	10.0	0.1	0.0
EMS Retirement System	50.2	50.0	15.2	15.0	12.9	10.0	9.7	10.0	3.2	5.0	8.6	10.0	0.2	0.0
Public Safety Retirement System	50.6	50.0	14.5	15.0	13.1	10.0	9.8	10.0	3.2	5.0	8.7	10.0	0.1	0.0
Judges' Retirement System	50.6	50.0	14.9	15.0	13.0	10.0	9.7	10.0	3.2	5.0	8.6	10.0	0.0	0.0
State Police Retirement System	50.3	50.0	15.3	15.0	12.8	10.0	9.6	10.0	3.1	5.0	8.6	10.0	0.3	0.0
Deputy Sheriffs' Retirement System	50.5	50.0	14.9	15.0	12.9	10.0	9.7	10.0	3.2	5.0	8.6	10.0	0.2	0.0
Municipal Police & Firefighter Retirement System	49.9	50.0	15.5	15.0	12.4	10.0	9.2	10.0	3.0	5.0	8.4	10.0	1.6	0.0
Natural Resources Police Office Retirement System	50.2	50.0	15.3	15.0	12.7	10.0	9.4	10.0	3.1	5.0	8.5	10.0	0.8	0.0
Municipal Model A	50.2	50.0	14.2	15.0	13.1	10.0	9.8	10.0	3.2	5.0	8.7	10.0	0.8	0.0
Municipal Model B	54.7	55.0	42.8	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	0.0

Insurance Assets

Workers' Compensation Old Fund	30.4	30.0	50.7	50.0	0.0	0.0	0.0	0.0	0.0	0.0	14.8	15.0	4.1	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	31.1	30.0	45.3	45.0	0.0	0.0	0.0	0.0	0.0	0.0	18.9	20.0	4.7	5.0
Workers' Comp. Self-Insured Security Risk Pool	30.8	30.0	45.4	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.3	20.0	4.5	5.0
Workers' Comp. Uninsured Employers Fund	30.6	30.0	45.8	45.0	0.0	0.0	0.0	0.0	0.0	0.0	18.4	20.0	5.2	5.0
Pneumoconiosis	30.5	30.0	45.6	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.6	20.0	4.3	5.0
Board of Risk & Insurance Mgmt.	30.8	30.0	45.6	45.0	0.0	0.0	0.0	0.0	0.0	0.0	18.6	20.0	5.0	5.0
Public Employees' Insurance Agency	25.7	25.0	55.6	55.0	0.0	0.0	0.0	0.0	0.0	0.0	18.7	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	50.3	50.0	15.2	15.0	13.0	10.0	9.7	10.0	3.2	5.0	8.6	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	50.2	50.0	15.3	15.0	13.0	10.0	9.7	10.0	3.2	5.0	8.6	10.0	0.0	0.0
Wildlife Fund	50.1	50.0	15.1	15.0	13.2	10.0	9.8	10.0	3.2	5.0	8.6	10.0	0.0	0.0
WV State Parks and Recreation Endowment Fund	50.6	50.0	15.4	15.0	12.4	10.0	9.3	10.0	3.0	5.0	9.3	10.0	0.0	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	22.8	22.5	77.2	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	66.0	65.0	15.9	15.0	0.0	0.0	0.0	0.0	0.0	0.0	18.1	20.0	0.0	0.0
WV DEP Agency	40.9	40.0	40.7	40.0	0.0	0.0	0.0	0.0	0.0	0.0	18.4	20.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg US Aggregate.
- (b) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (c) Prior to April 2008, the index was Bloomberg US Aggregate.
- (d) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (e) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (f) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (g) Prior to January 2014, the index was Libor plus 400 basis points.
- (h) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBI EM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (i) Prior to April 2008, the index was a custom index.
- (j) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (k) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (l) In July 2020 the municipal plan potential investment models were condensed to Model A and Model B. The June 30, 2020 asset values for Model C and Model D are included in Model A. Model B was formerly Model F.
- (m) Prior to January 2021, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 basis points.

Note: Participant returns are net of fees. Portfolio returns are net of management fees. Returns shorter than one year are unannualized.

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WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Status Report:
Workers' Compensation

Joint Committee on Government & Finance

October 2021

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Introduction

The passage of S.B. 1004 in January 2005 brought significant changes to workers' compensation insurance in West Virginia. The State-administered monopolistic system effectively ended when a new, legislatively-created domestic mutual insurance company, "BrickStreet"¹, was formed to thereafter issue workers' compensation insurance. BrickStreet began writing new workers' compensation insurance policies in January 2006 (Brickstreet also retained the workers' compensation insurance premium and incurred liability starting in July 2005). The West Virginia workers' compensation insurance market was further privatized and opened to full competition beginning in July 2008.

When Brickstreet was formed to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State-administered monopolistic fund. This legacy liability was retained by the State of West Virginia in what is known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. In addition to the following sections that specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report to the Joint Committee on Government & Finance concerns the workers' compensation legacy liability of the State of West Virginia, i.e., the Old Fund.

As of January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. In December 2020, the number of active claims fell to less than 10,000 for the first time and, as of September 2021, there were 8,746 active claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Insurance Commissioner by the Legislature.

¹ As a result of their merger, Motorists Insurance Group and BrickStreet Mutual Insurance Co. are now the **Encova Mutual Insurance Group**.

Definitions:

Appeal (BOR): A formal procedure conducted by the Board of Review at which a decision of an administrative law judge (OOJ) having presided over a matter of workers' compensation (Old Fund or Privately Insured) is to be afforded additional consideration. An appeal may be filed by any aggrieved party, such as a claimant, employer, dependent of a claimant, private insurance carrier, etc.

Board of Review: (BOR) A three judge panel that serves as an intermediate appellate tribunal in workers' compensation litigation. Specifically, the Board of Review reviews all appeals taken from any final decision of the Office of Judges. The BOR may reverse, vacate, modify, or remand a decision of the Office of Judges. Any appeal taken from a Board of Review final order must be filed with the West Virginia Supreme Court of Appeals.

Claim Reserve: individual claim level cost estimate that is projected on the ultimate probable exposure; must be the best projection based on the facts and findings of the claim. This function is to capture the key components that impact the range of any impending cost in workers' compensation claims. No discounting is applied. The Indemnity Reserve is adjusted to cover the cost of loss or exposure both on a temporary and permanent basis. The reserve should also be adjusted to include the projected cost of any death and/or dependent benefits when appropriate. The Medical Reserve covers medical cost, hospital stays, specialized treatment, rehabilitation, durable medical equipment, and medications, etc. The Expense Reserve is placed for the cost of legal defense and investigations, etc. The reserves may be reduced based on the findings of early mortality factors.

Coal Workers' Pneumoconiosis Fund (CWP): State managed fund into which FBL premiums previously received are held, and out of which FBL benefits are paid. This fund was closed to future liabilities as of 12/31/2005. Because of the latency period between the date of last exposure and the onset of disease, new FBL claims will occur.

Fatal: claim under which the worker died as a result of injury or illness.

FBL: claim for Occupational Pneumoconiosis (Black Lung) benefits under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. "Federal Black Lung", or FBL.

FBL Awarded Claim: an FBL claim that has been awarded but has not yet been accepted by the responsible operator/insurer

FBL Claim Notice: an FBL claim for which not initial decision has yet been made, but evidence in the claims indicates the potential for an award

FBL Non-active Claim: an FBL claim for which an award had been sought but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Denied FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

FBL Paying Claim: an FBL claim for which an award has been made and the responsible operator/insurer has accepted liability. Payments are being made to the claimant or dependents.

Indemnity: statutory wage replacement benefits awarded as a result of a worker's occupational illness or injury.

Med Only: claim under which only the payment of medical benefits was sought or awarded, i.e. no payment of wage replacement benefits (indemnity) is being made.

Office of Judges: (OOJ) An office comprised of administrative law judges who are charged with resolving protests or appeals to workers' compensation claims management decisions. The Office of Judges conducts hearings, receives, and weighs evidence and arguments, and issues written decisions on protests or appeals from initial claim management decisions. Any final decision of the Office of Judges may be appealed to the workers' compensation Board of Review. The OOJ hears protests involving Old Fund claims as well as those arising from the private market (private carrier or privately insured.)

Old Fund: The residual assets and liabilities of the former Worker's Compensation Fund are now reported in a fund known as the Workers' Compensation Old Fund. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claims with a date of injury on or before June 30, 2005.

OP/OD: claim of Occupational Pneumoconiosis or Occupational Disease. An OP claim could be considered the State level equivalent of an FBL claim; however, State OP claims provide for varying percentages of impairment where the FBL applicant must prove total impairment to be eligible. (State OP claims are awarded more frequently than FBL but afford lesser benefits.) An example of an OD claim would be occupational hearing loss.

Protest (OOJ): An objection to a ruling of a workers' compensation claim administrator (Old Fund or Private Market) which prompts the initiation of the adjudication process at the Office of Judges.

PPD: (Permanent Partial Disability) paid to compensate an injured worker for permanent impairment that results from an occupational injury or disease. The American Medical Association defines permanent impairment as impairment that has become static or well stabilized with or without medical treatment and is not likely to remit despite medical treatment. It should be noted, some injuries that are total loss by severance have statutory impairment ratings that are defined per WV Code §23-4-6(f). Payment for PPD is based upon 4 weeks of compensation for each one percent of disability.

PTD: (Permanent Total Disability) A disability which renders a claimant unable to engage in gainful employment requiring skills or abilities which can be acquired, or which are comparable to those of any gainful employment in which the claimant previously engaged with some regularity. While the comparison of pre-injury income and post-disability income is not a factor to be considered in determining whether or not a claimant is permanently and totally disabled, the geographic availability of gainful employment should be considered. Specifically, the geographic availability of gainful employment within a 75-mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

Self-Insured: an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

Self-Insured Guaranty Fund: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

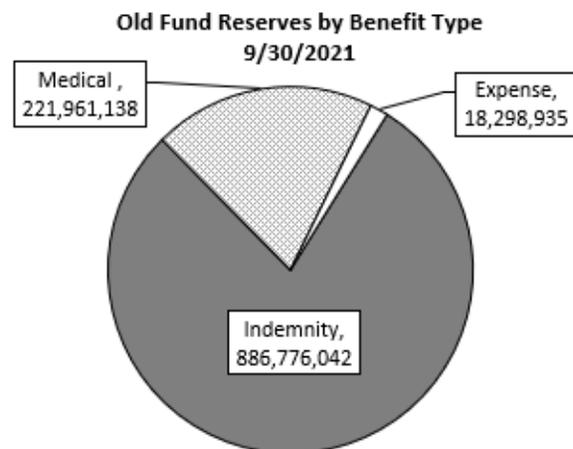
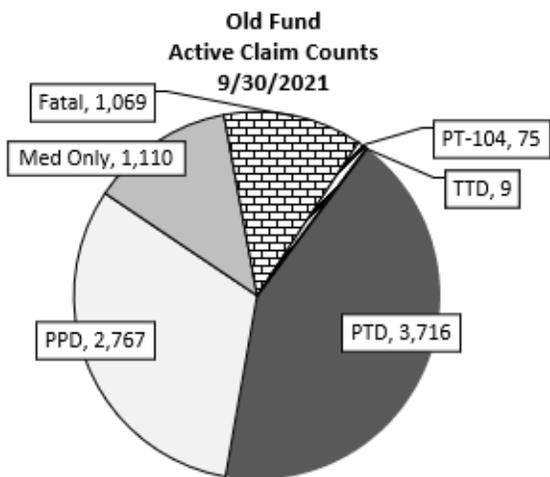
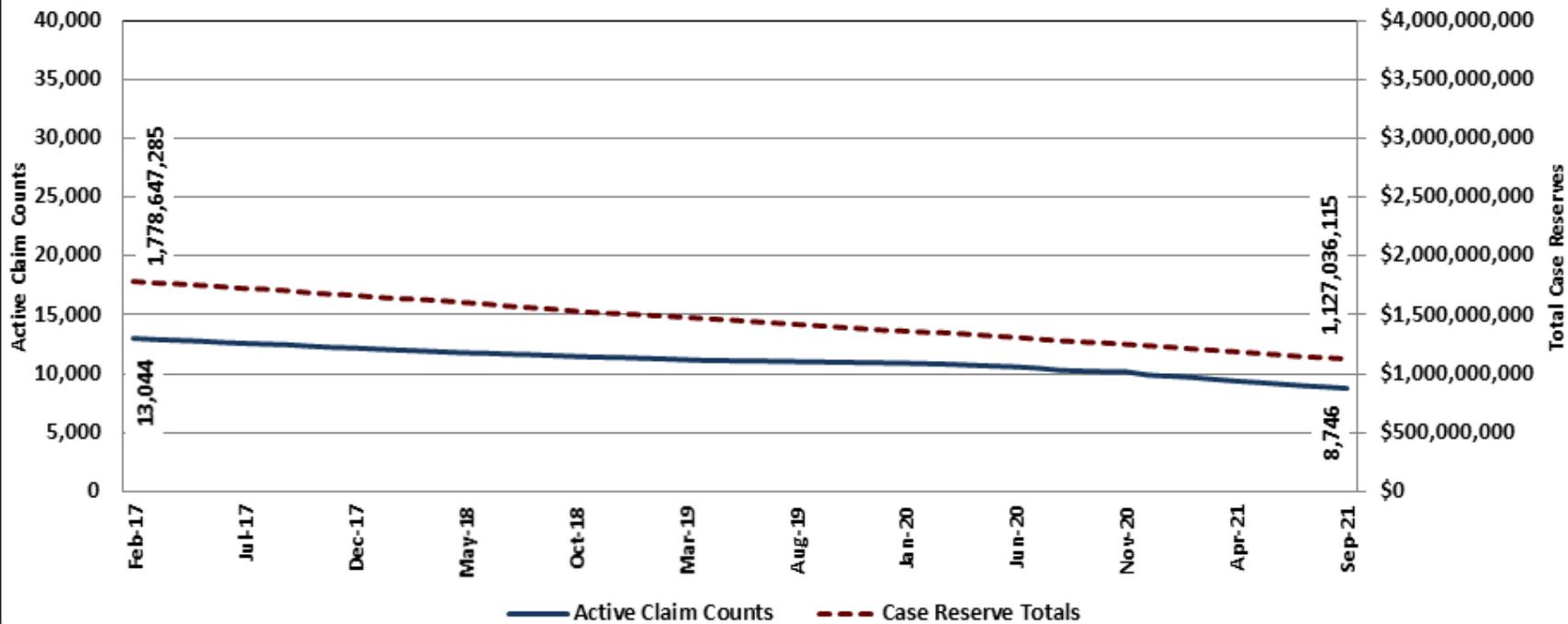
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

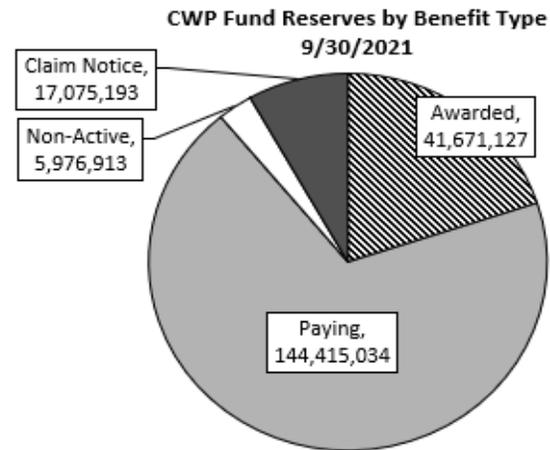
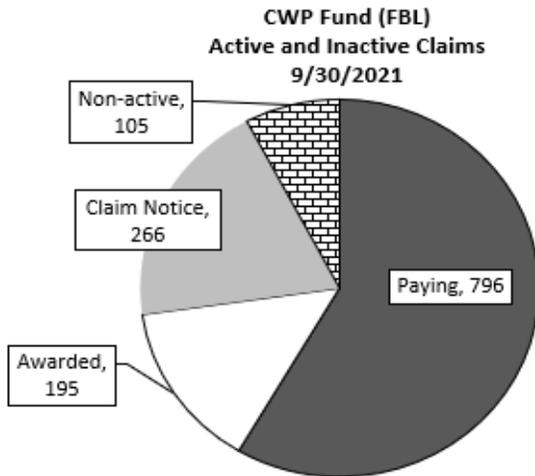
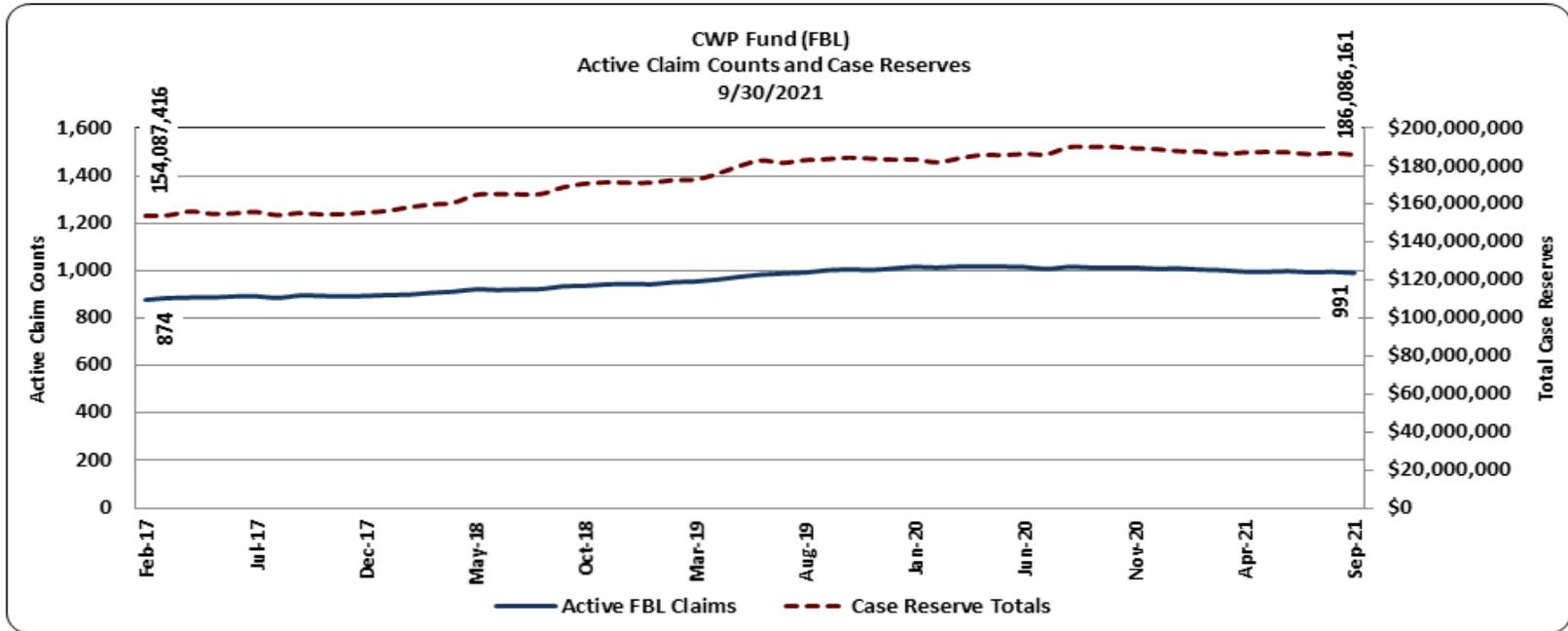
TPD: (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict, he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average weekly wage earnings earned at the time of injury and the average weekly wage earnings earned at the new employment.

TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified disabled due to the compensable injury by his/her treating physician.

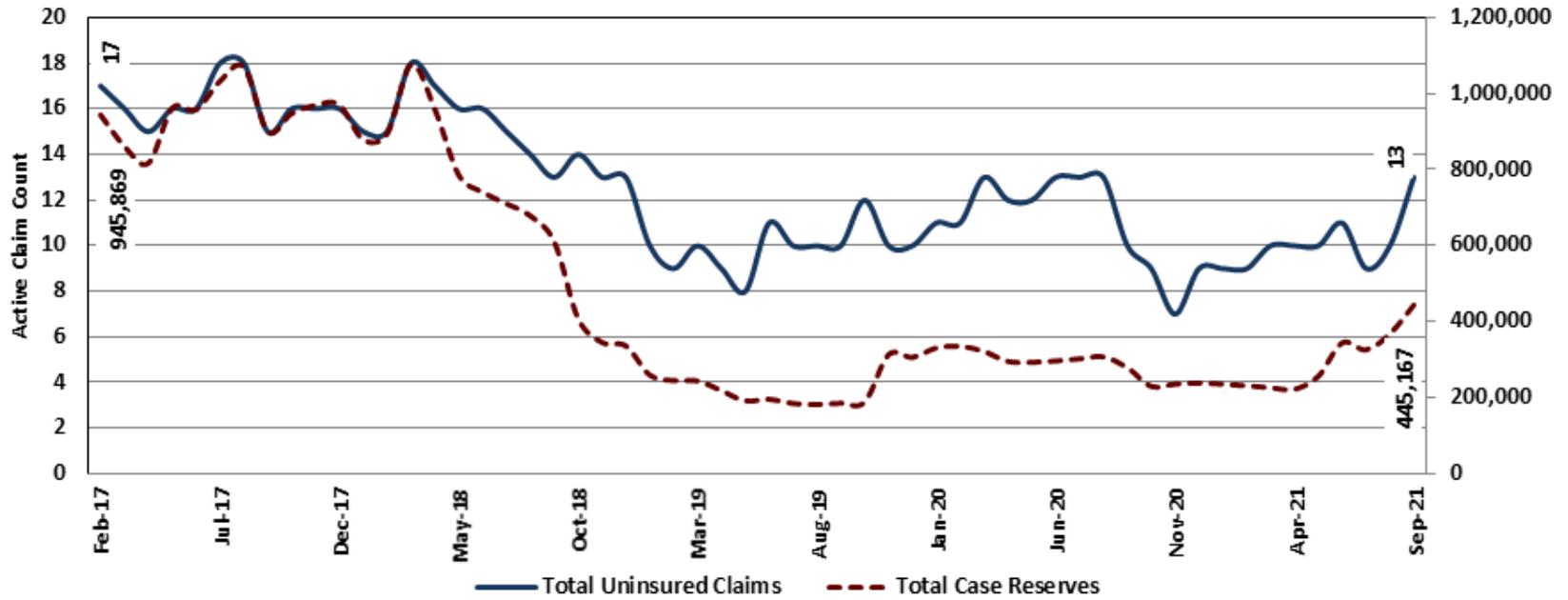
Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

**Old Fund
Active Claim Counts and Case Reserves
9/30/2021**

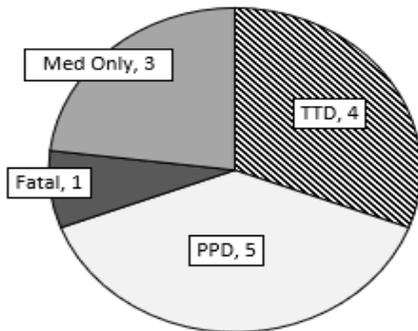




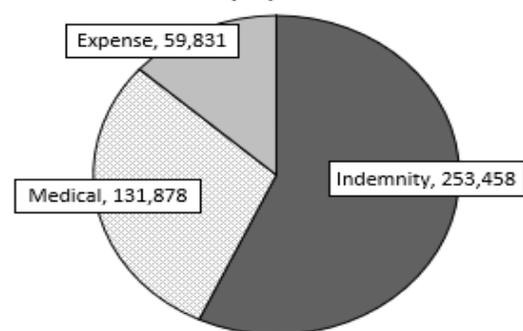
**Uninsured Fund
Active Claim Counts and Case Reserves
9/30/2021**

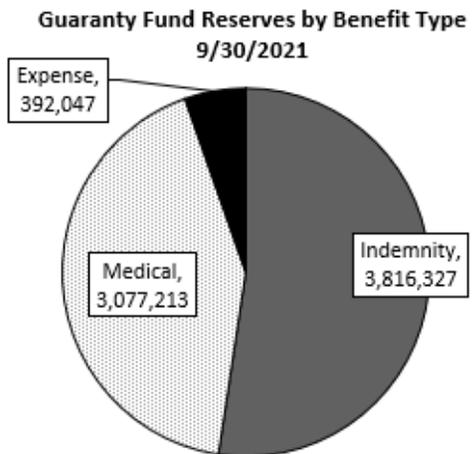
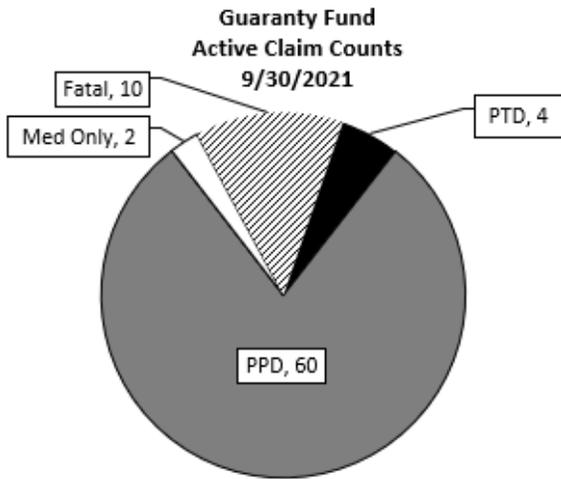
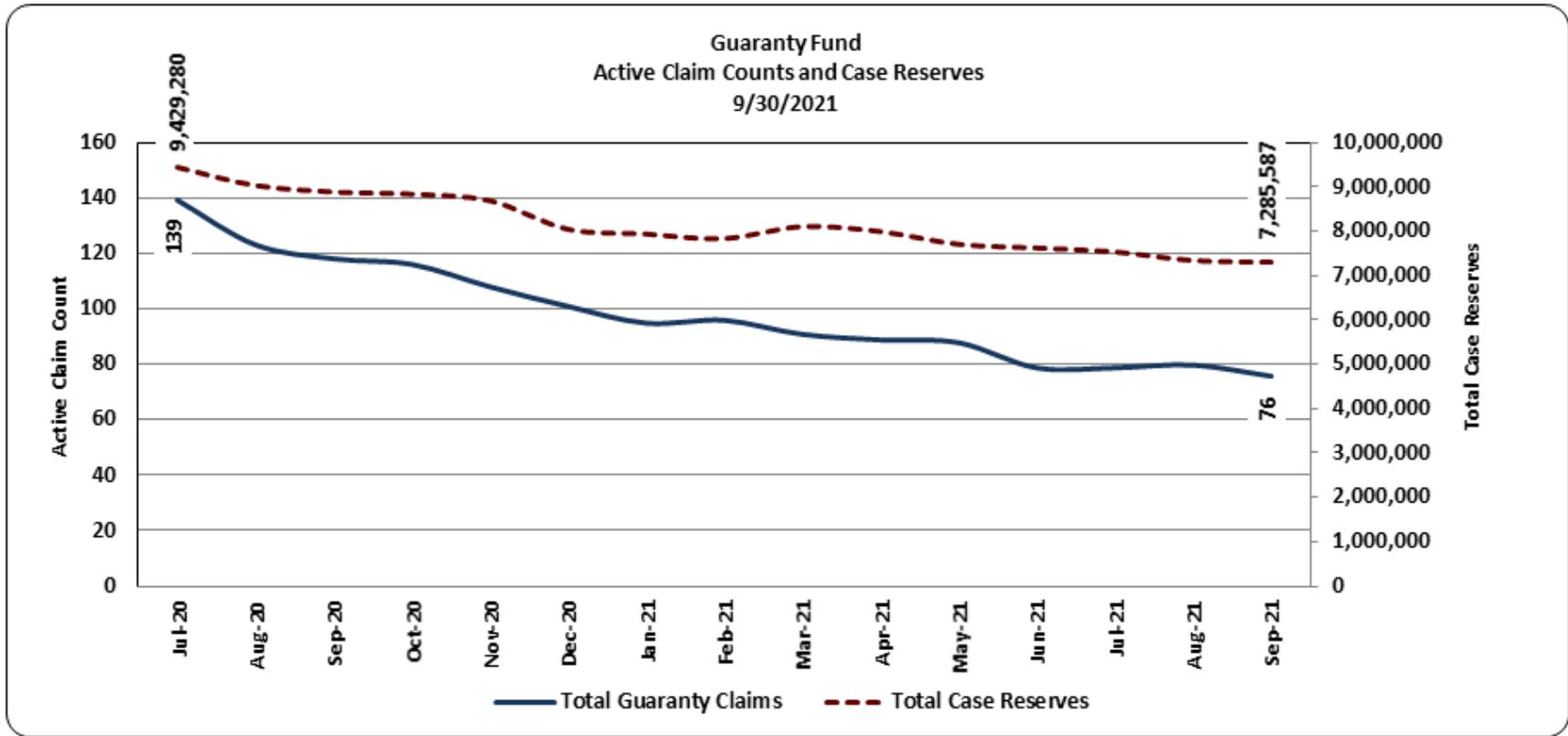


**Uninsured Fund
Active Claim Counts
9/30/2021**

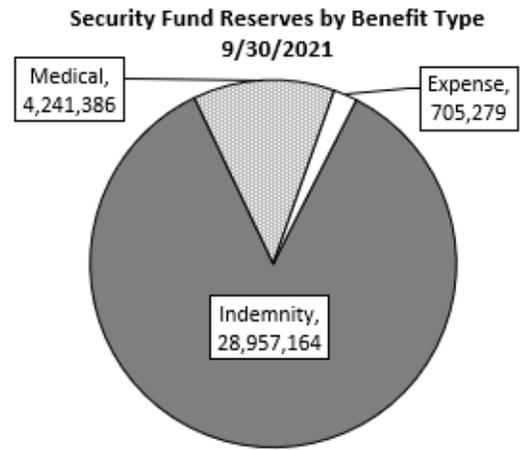
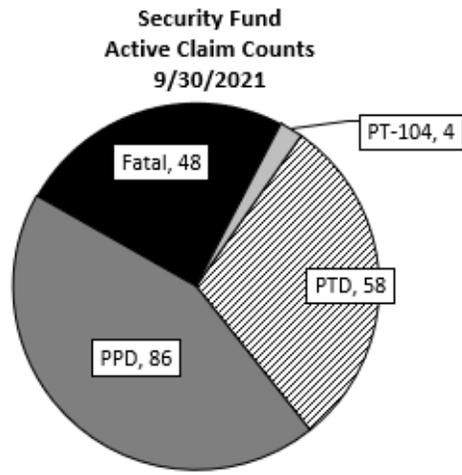
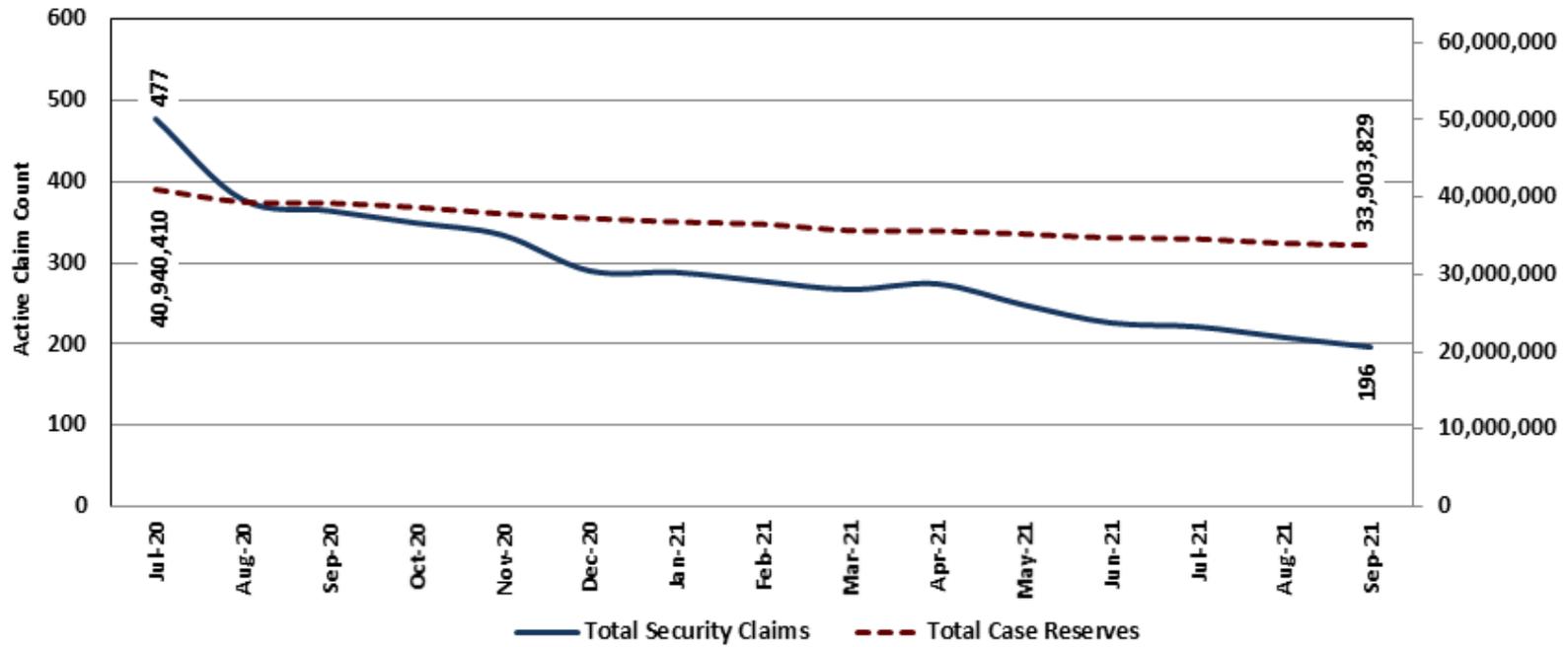


**Uninsured Fund Reserves by Benefit Type
9/30/2021**





**Security Fund
Active Claim Counts and Case Reserves
9/30/2021**



OLD FUND CASH STATEMENT
SEPTEMBER 30, 2021

Three Year History for years ended:

Cash Beginning Balances	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
	1,080,592,100	993,229,138	87,362,963	993,229,138	1,077,104,966	1,190,163,510
Revenues						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	-	-	-	-	812,164
Debt Reduction Surcharge	-	-	-	-	-	4,078,894
Self-Insured Debt Reduction Surcharge	-	-	-	-	-	1,628,881
Video Lottery	-	-	-	-	-	-
Employer Premium	199,005	122,165	76,841	189,298	138,119	70,302
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Operating Revenues	199,005	122,165	76,841	189,298	138,119	6,590,241
Investment / Interest Earnings (Losses)	18,889,332	75,400,164	(56,510,832)	187,370,470	48,614,936	17,915,993
Total Revenues	19,088,337	75,522,328	(56,433,991)	187,559,768	48,753,055	24,506,234
Expenditures						
Claims Benefits Paid:						
Medical	3,585,190	4,595,386	(1,010,196)	16,509,277	21,141,087	21,861,068
Permanent Total Disability	16,401,915	17,993,809	(1,591,894)	69,561,392	75,310,561	81,018,639
Permanent Partial Disability	65,698	22,401	43,297	112,956	70,989	120,930
Temporary Disability	-	-	-	-	(486)	49,001
Fatals	4,386,086	4,659,103	(273,018)	18,386,146	19,297,908	20,440,045
104 weeks death benefit	1,236,573	1,196,799	39,773	6,353,928	5,474,959	4,630,636
Settlements	580,101	819,067	(238,966)	2,708,581	4,452,419	3,688,819
Loss Adjustment Expenses	498,670	357,179	141,491	1,095,241	1,603,551	1,400,225
Total	26,754,232	29,643,745	(2,889,513)	114,727,520	127,350,987	133,209,364
Less: Claims credits and overpayments	24,500	61,704	(37,205)	334,334	982,782	2,443,869
Total Benefits Paid	26,729,732	29,582,041	(2,852,308)	114,393,187	126,368,205	130,765,495
Administrative Expenses	554,442	1,016,151	(461,709)	5,803,619	6,260,679	6,799,283
Total Expenditures	27,284,174	30,598,191	(3,314,017)	120,196,805	132,628,883	137,564,778
Excess (Deficiency) of Revenues over Expenditures	(8,195,837)	44,924,137	(53,119,974)	67,362,963	(83,875,828)	(113,058,544)
Transfer from Operating Fund	-	-	-	20,000,000	-	-
Cash Ending Balances	1,072,396,263	1,038,153,275	34,242,989	1,080,592,100	993,229,138	1,077,104,966

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
SEPTEMBER 30, 2021

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	246,613,162	220,914,521	25,698,641	220,914,521	232,485,887	246,768,365
Revenues						
Investment Earnings (Losses)	4,142,453	16,649,256	(12,506,803)	43,567,242	9,366,126	3,546,660
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	4,142,453	16,649,256	(12,506,803)	43,567,242	9,366,126	3,546,660
Expenditures						
Claims Benefits Paid:						
Medical	1,534,432	740,829	793,603	5,107,159	7,541,269	4,623,840
PTD and Fatal Indemnity	2,203,407	2,190,109	13,298	8,726,207	8,899,722	8,683,360
Loss Adjustment Expenses	1,280,453	784,027	496,426	3,343,071	3,933,266	3,620,512
Total	5,018,292	3,714,965	1,303,327	17,176,438	20,374,258	16,927,711
Less: Claims Credits and Overpayments	10,707	13,935	(3,228)	94,896	360,474	85,884
Total Benefits Paid	5,007,585	3,701,031	1,306,555	17,081,541	20,013,784	16,841,827
Administrative Expenses	276,216	137,578	138,638	787,060	923,707	987,312
Total Expenditures	5,283,801	3,838,609	1,445,193	17,868,601	20,937,491	17,829,139
Excess (Deficiency) of Revenues over Expenditures	(1,141,348)	12,810,647	(13,951,996)	25,698,641	(11,571,365)	(14,282,479)
Cash Ending Balances	245,471,814	233,725,169	11,746,646	246,613,162	220,914,521	232,485,887

Note: The Coal Worker's Pneumoconiosis Fund (CWP Fund) ceased operations December 31, 2005 and is in run-off status under the administrative oversight of the Insurance Commissioner. Established in 1973, the CWP Fund existed to provide insurance coverage to companies for liabilities incurred as a result of the Federal Coal Mine Health and Safety Act of 1969. Participation in the CWP Fund was voluntary for employers. The current revenues of the CWP Fund are limited to the earnings from invested assets. Assets of the CWP Fund are invested with the WV Investment Management Board. The investment earnings are presented in the month in which the State Treasurer records the earnings. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL
SEPTEMBER 30, 2021

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	39,659,496	33,724,356	5,935,140	33,724,356	33,373,873	34,042,831
Revenues						
Guaranty Risk Pool Assessments	-	-	-	-	-	(354)
Collateral Proceeds	-	-	-	-	-	252,925
Investment Earnings (Losses)	669,977	2,544,257	(1,874,281)	6,763,880	1,367,274	523,349
Total Revenues	669,977	2,544,257	(1,874,281)	6,763,880	1,367,274	775,921
Expenditures						
Claims Benefits Paid:						
Medical	56,915	70,249	(13,333)	280,185	346,473	496,368
Permanent Total Disability	15,929	25,597	(9,668)	89,242	102,389	102,389
Permanent Partial Disability	40,246	21,600	18,646	91,922	225,842	260,557
Temporary Disability	-	-	-	-	-	13,148
Fatals	51,749	51,749	-	206,996	223,506	226,808
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	62,000	9,000	53,000	39,699	10,000	125,000
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	6,450	14,871	(8,421)	52,455	76,110	112,306
Total	233,290	193,066	40,224	760,498	984,319	1,336,576
Less: Claims Credits and Overpayments	24,429	-	24,429	150	45,480	205
Total Benefits Paid	208,861	193,066	15,795	760,348	938,840	1,336,371
Administrative Expenses	12,129	12,805	(676)	68,392	77,951	108,508
Total Expenditures	220,990	205,871	15,119	828,740	1,016,791	1,444,879
Excess (Deficiency) of Revenues over Expenditures	448,987	2,338,386	(1,889,399)	5,935,140	350,483	(668,958)
Cash Ending Balances	40,108,483	36,062,742	4,045,741	39,659,496	33,724,356	33,373,873

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The assets of the Self-insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
SEPTEMBER 30, 2021

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	55,995,948	49,568,499	6,427,449	49,568,499	50,905,481	53,404,259
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	-	-	-	-	243,007
Investment Earnings (Losses)	938,850	3,765,454	(2,826,604)	9,805,453	2,087,341	770,092
Total Revenues	938,850	3,765,454	(2,826,604)	9,805,453	2,087,341	1,013,099
Expenditures						
Claims Benefits Paid:						
Medical	127,138	114,355	12,783	531,814	549,908	527,648
Permanent Total Disability	301,849	325,339	(23,490)	1,250,688	1,379,159	1,519,062
Permanent Partial Disability	-	517	(517)	4,243	(60)	5,702
Temporary Disability	-	-	-	-	-	-
Fatals	210,091	221,669	(11,578)	918,152	979,631	1,090,855
104 Weeks Death Benefit	23,422	34,024	(10,602)	171,468	78,073	8,932
Settlement Agreements	30,750	82,158	(51,408)	315,463	162,665	19,065
Loss Adjustment Expenses	14,896	13,243	1,653	73,223	118,818	96,587
Total	708,146	791,305	(83,159)	3,265,052	3,268,194	3,267,851
Less: Claims Credits and Overpayments	-	17,555	(17,555)	84,004	102,299	54,962
Total Benefits Paid	708,146	773,750	(65,604)	3,181,048	3,165,895	3,212,889
Administrative Expenses	35,332	44,541	(9,209)	196,956	258,428	298,987
Total Expenditures	743,478	818,291	(74,813)	3,378,004	3,424,323	3,511,876
Excess (Deficiency) of Revenues over Expenditures	195,372	2,947,163	(2,751,791)	6,427,449	(1,336,982)	(2,498,778)
Cash Ending Balances	56,191,320	52,515,662	3,675,658	55,995,948	49,568,499	50,905,481

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The assets of the Self-insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND
SEPTEMBER 30, 2021

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	16,844,759	13,817,714	3,027,045	13,817,714	13,211,915	12,989,971
Revenues						
Fines and Penalties	96,016	75,028	20,988	322,680	385,577	588,767
Investment Earnings (Losses)	277,569	1,017,915	(740,345)	2,767,995	517,439	179,479
Total Revenues	373,585	1,092,943	(719,357)	3,090,675	903,016	768,246
Expenditures						
Claims Benefits Paid:						
Medical	1,548	1,365	183	2,096	7,169	129,612
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	533	-	533	-	15,617	30,633
Temporary Disability	32,009	762	31,247	3,048	22,059	35,751
Fatals	6,400	6,400	-	25,601	37,816	50,030
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	-	-	-	44,276	82,000	106,000
Loss Adjustment Expenses	6,967	2,539	4,428	26,492	46,867	52,714
Total	47,458	11,066	36,391	101,513	211,528	404,740
Less: Claims Credits and Overpayments	5,230	14,460	(9,230)	42,742	7,535	50,676
Total Benefits Paid	42,228	(3,393)	45,621	58,770	203,993	354,064
Administrative Expenses	-	588	(588)	4,860	93,224	192,238
Total Expenditures	42,228	(2,805)	45,033	63,630	297,217	546,302
Excess (Deficiency) of Revenues over Expenditures	331,357	1,095,748	(764,391)	3,027,045	605,799	221,944
Cash Ending Balances	17,176,116	14,913,462	2,262,654	16,844,759	13,817,714	13,211,915

The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The assets of the UEF are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Insurance Commissioner has the right to levy assessments on employers in order to maintain the solvency of the Fund. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF. The Uninsured Cash Statement is unaudited information.

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
October 28, 2021

OPERATING REPORT

SEPTEMBER 2021

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbt.com

Board of Directors

Riley M. Moore,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Vacant,
Appointed by the
Governor

Mark A. Mangano,
Esq. Attorney
Appointed by the
Governor

Executive Staff

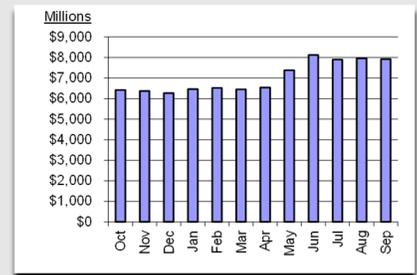
Executive
Director
Kara K. Hughes,
CPA, MBA, CFE,
CGIP
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$7,924,347,000

Last Month
\$7,965,674,000

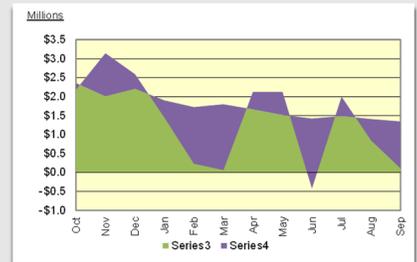
Beginning of Fiscal Year
\$8,119,584,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$2,957,000



Monthly Net Income & Changes in Fair Value for the Past 12 Months

Money Market Pools

As of September 30, 2021

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.0603%	51 Days	\$6.6 Billion
WV Gov't Money Market	0.0144%	49 Days	\$230.3 Million

* Yields represent the simple money market yield net of fees.

** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

SEPTEMBER 2021

Enter Bogeyman...

Equity Markets

Enter Bogeyman...

Looks like “buying the dip” ran out of gas this time and the S&P 500 (-4.7% for September) saw its seven-month winning streak come to an end. Despite turning in its worst month since last March, the bellwether index managed a slight gain for the third quarter (+0.6%) and is up nearly 16% three-quarters of the way through 2021. Still, a sense of fear has crept in. Why now? Last month we pointed to a lengthy list of worries facing markets (virus variants, lofty valuations, possible peak growth/earnings, commodity and consumer price inflation, supply chain issues, Fed balance sheet tapering on the horizon, etc.). Through August the markets shrugged off these issues as stocks only climbed higher. With the added risks of contagion emanating from the looming collapse of property developer Evergrande in China, impasse in our nation’s capital (with much at stake), a lukewarm employment report, plus more clarity from the Federal Reserve on expected timing to begin tapering its balance sheet (this November) and subsequent interest rate hikes (could be sometime in 2022 rather than in 2023) – the bulls have been subdued at least for the moment.

Within equity markets, there was nowhere to hide, and with bond yields moving higher, growth stocks (-5.5%) suffered more than value stocks (-3.4%). Mega cap S&P 500 stocks (-4.7%) were hit harder than both mid cap (-4.1%) or small cap (-2.9%). While small cap did better than large cap for the month, for the quarter they were worse (-4.4%) than mid cap (-0.9%) or large cap (0.6%). Energy was the best performing sector (and only positive) sector last month (+9.4%) as supply issues continue to accelerate commodity prices.

Outside the U.S., developed market stocks (-2.9%) were not spared from this bout of volatility, but still bested the emerging markets (-4.0%), which continue to have a challenging year, down 1% in U.S. dollars.

Fixed Income Markets

He shook them too...

Higher commodity prices and inflation fears are not new to the bond market story this year and once again helped drive bond yields higher (and prices lower), while profit taking seemed to be a factor as well. Naturally, investors remain hyper-focused on the Fed and clues around its balance sheet paring plans and eventual rate hikes. The 10-year U.S. Treasury yield rose from 1.30% to 1.53%, resulting in a negative return for the Treasury Index (-1.1%). The Bloomberg Barclays U.S. Aggregate Index fell 0.9% and is now further in the red year-to-date (-1.6%). Investment grade credit (-1.1%) also struggled; not surprising given that both stocks and government bonds were negative. It was, however, somewhat surprising that high yield managed to tread water (0%).

The fourth quarter will tell whether we are now partway through a market correction, have entered a new period of choppy up-and-downs, or if the bulls just took a breather and will ride once again. Against the backdrop of a mind-blowing 19 or so months of life, the battle for investors between cautious optimism and rational skepticism rages on.

West Virginia Board of Treasury Investments Financial Highlights as of September 30, 2021

WV Short Term Bond Pool

Rates of Return for the Past 12 Months *Net of All Fees*

<u>October 1 - September 30</u>	<u>Return</u>	<u>Net Assets At Sept 30 (In Millions)</u>
2021	1.0%	\$ 821.2
2020	4.1%	\$ 812.3
2019	4.9%	\$ 818.5
2018	1.3%	\$ 712.5
2017	1.4%	\$ 760.0

WV Short Term Bond Pool Rates of Return

*Past 12 Months
October 1 - September 30*

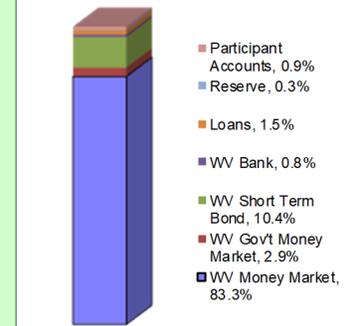


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

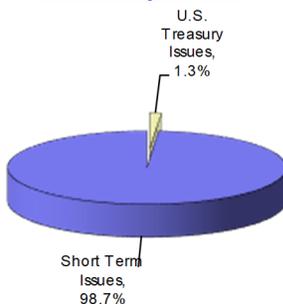
<u>Pool</u>	<u>Net Asset Value</u>	<u>Sep Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 6,600,103	\$ 330	\$ 1,093
WV Gov't Money Market	230,320	3	6
WV Short Term Bond	821,200	(432)	1,240
WV Bank	60,271	8	28
Loans	118,348	149	447
Reserve	19,949	2	7
Participant Accounts	74,156	47	136
	<u>\$ 7,924,347</u>	<u>\$ 107</u>	<u>\$ 2,957</u>

Percent of Total Net Asset Value

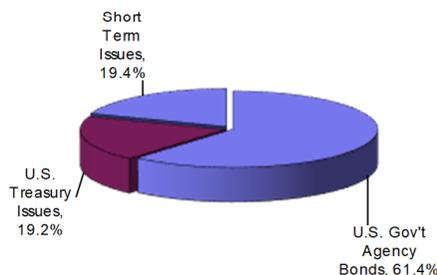


Securities by Type for Operating Pools *(Percentage of Asset Value)*

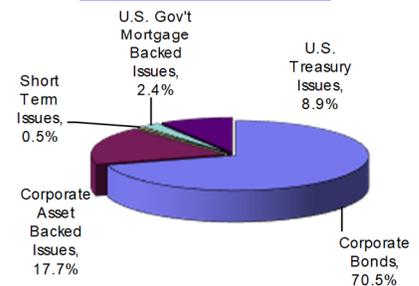
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED

SEPTEMBER 30, 2021

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 6,600,390	\$ 234,842	\$ -	\$ 60,241	\$ 138,145	\$ -	\$ 7,033,618
At fair value	-	-	823,215	-	-	73,930	897,145
Other assets	331	6	3,178	31	154	226	3,926
Total assets	<u>6,600,721</u>	<u>234,848</u>	<u>826,393</u>	<u>60,272</u>	<u>138,299</u>	<u>74,156</u>	<u>7,934,689</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased							
	618	4,528	5,193	1	2	-	10,342
Total liabilities	<u>618</u>	<u>4,528</u>	<u>5,193</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>10,342</u>
Net Position							
Held in trust for investment pool participants	6,600,103	230,320	821,200	-	-	-	7,651,623
Held in trust for individual investment account holders	-	-	-	60,271	138,297	74,156	272,724
Total net position	<u>\$ 6,600,103</u>	<u>\$ 230,320</u>	<u>\$ 821,200</u>	<u>\$ 60,271</u>	<u>\$ 138,297</u>	<u>\$ 74,156</u>	<u>\$ 7,924,347</u>
Additions							
Investment income:							
Interest and dividends	\$ 176	\$ 6	\$ 1,273	\$ 9	\$ 153	\$ 54	\$ 1,671
Net (amortization) accretion	414	5	(426)	-	-	(1)	(8)
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>590</u>	<u>11</u>	<u>847</u>	<u>9</u>	<u>153</u>	<u>53</u>	<u>1,663</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	260	8	50	1	2	-	321
Total investment expenses	<u>260</u>	<u>8</u>	<u>50</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>321</u>
Net investment income	330	3	797	8	151	53	1,342
Net realized gain (loss) from investments	-	-	612	-	-	-	612
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(1,841)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(1,847)</u>
Net increase (decrease) in net position from operations	330	3	(432)	8	151	47	107
Participant transaction additions:							
Purchase of pool units by participants	1,390,402	42,030	1,705	-	-	-	1,434,137
Reinvestment of pool distributions	330	3	1,272	-	-	-	1,605
Contributions to individual investment accounts	-	-	-	9	2	-	11
Total participant transaction additions	<u>1,390,732</u>	<u>42,033</u>	<u>2,977</u>	<u>9</u>	<u>2</u>	<u>-</u>	<u>1,435,753</u>
Total additions	1,391,062	42,036	2,545	17	153	47	1,435,860
Deductions							
Distributions to pool participants:							
Net investment income	330	3	797	-	-	-	1,130
Net realized gain (loss) from investments	-	-	612	-	-	-	612
Total distributions to pool participants	<u>330</u>	<u>3</u>	<u>1,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,742</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,448,487	25,916	-	-	-	-	1,474,403
Withdrawals from individual investment accounts	-	-	-	9	988	45	1,042
Total participant transaction deductions	<u>1,448,487</u>	<u>25,916</u>	<u>-</u>	<u>9</u>	<u>988</u>	<u>45</u>	<u>1,475,445</u>
Total deductions	<u>1,448,817</u>	<u>25,919</u>	<u>1,409</u>	<u>9</u>	<u>988</u>	<u>45</u>	<u>1,477,187</u>
Net increase (decrease) in net position from operations	(57,755)	16,117	1,136	8	(835)	2	(41,327)
Net position at beginning of period	6,657,858	214,203	820,064	60,263	139,132	74,154	7,965,674
Net position at end of period	<u>\$ 6,600,103</u>	<u>\$ 230,320</u>	<u>\$ 821,200</u>	<u>\$ 60,271</u>	<u>\$ 138,297</u>	<u>\$ 74,156</u>	<u>\$ 7,924,347</u>